



**UNIVERSITY OF KWAZULU-NATAL
COLLEGE OF LAW AND MANAGEMENT STUDIES
SCHOOL OF LAW**

**IS SOUTH AFRICA FASHIONABLY LATE TO THE WORLD OF INTELLECTUAL
PROPERTY DESIGN PROTECTION?: A COMPREHENSIVE ANALYSIS OF
APPLICABLE LEGISLATION CURRENTLY AFFORDED TO FASHION
DESIGNERS IN SOUTH AFRICA.**

Name of Candidate: Nicolette Naidoo

Student Number: 210525344

This Research Project is submitted in partial fulfilment of the regulations for the LLM Degree at the University of KwaZulu-Natal.

Supervisor: Devarasi Bellengere

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Nicolette Naidoo

Candidate

210525344

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1. AN INTRODUCTION TO PROTECTING OUR RIGHTS IN THE FASHION SECTOR

In the words of Miuccia Prada, "What you wear is how you present yourself to the world, especially today, when human contacts are so quick. Fashion is instant language."¹

This is something that can be understood universally, in a time where creating our intended impressions without saying a word can be channelled through fashion itself.

In consideration of what the fashion industry has grown to be both locally and internationally, credit should be afforded to Intellectual Property (IP) law which plays a vital role in the expansion of global fashion enterprises, and provides a means of distinguishing one designer from the next amongst other things.² The need for IP protection in the fashion industry therefore relates to continued creativity and innovation where commercial gain is a key objective.³

The protection that may be required within the fashion sector can be sought through various commercial legal avenues, including the main forms of IP protection such as copyright, design, trade mark and patent law, each with its own requirements that need to be fulfilled before protection can be afforded.⁴

1.1 Aim and Purpose of this Research

This dissertation serves as a comprehensive analysis of the most relevant IP legislation and case law principles in relation to protecting the different aspects of fashion design, the practical application thereof, and the extent of protection afforded both locally and abroad, with the aim of determining whether the current IP protection afforded within the South African fashion industry is adequate, and whether seeking such protection is worth it.

¹ Available at <https://www.harpersbazaar.com/fashion/designers/a1576/50-famous-fashion-quotes/> accessed 8 August 2018.

² Commonwealth of Australia 'Fashion rules: a guide to intellectual property for Australia's clothing and fashion design industry' (2009) 4 available at <http://www.wipo.int/edocs/lexdocs/laws/en/au/au332en.pdf> accessed on 5 April 2018.

³ A Williams 'Defining Intellectual Property' *Lexis Nexis* (2018).

⁴ E Teljeur 'Intellectual property rights in South Africa: An economic review of policy and impact' (2003) 7.

In addition, this dissertation aims to find solutions to prevalent issues in the South African fashion industry, such as IP infringement related to copying, possible excessive costs involved in obtaining and/or enforcing IP rights, counterfeit goods and parallel importation.

1.2 Research Objectives

The objectives of this research are to:

1. assess appropriate provisions of existing IP law currently afforded to South African fashion designers, and show that the protection afforded is adequate, where applied and enforced correctly;
2. display the vital role that IP plays in the fashion industry, leading to the submission that, save for a few instances where it may not be necessary, seeking and obtaining formal IP protection is in fact worth it in most cases;
3. show that through the application and interpretation of the relevant legislation and case law principles, the enforcement of IP rights will always need to be balanced against the rights of the owner of the IP and against the general interests of society,⁵ yet still results in adequate protection being afforded;
4. identify common issues faced in the South African fashion industry, with a view on corresponding viable solutions that exist within the current legal framework as well as outside of it;
5. determine, through a comparative analysis of relevant IP principles in the United States of America (USA), whether there are any shortcomings in the applicability of our law, contributing to the finding that to a reasonable extent, South Africa does indeed provide an adequate legal framework to protect fashion designers in the industry.⁶

1.3 Relevance of this Research

This research is relevant as it compiles the necessary provisions and procedures that fashion designers, and legal practitioners assisting them, should be aware of in practice. It focuses on the specialised area of IP law that does not receive the deserved

⁵ Williams (note 3).

⁶ Commonwealth of Australia (note 2).

recognition, particularly considering the fact that the South African fashion industry continues to expand and attract international attention.

At present, there is no comprehensive study addressing the practical application of IP law to the South African fashion industry, to the extent which this dissertation aims to.

1.4 Methodology

Desktop research will be the form of research for this dissertation.

Relevant IP legislation will be thoroughly analysed and discussed for purposes of highlighting the provisions dealing with fashion design protection in its different forms.

Literature in the form of textbooks, journal articles and online discussions will be used to offer more insight, expert views, and opinions on the topic of IP and fashion design in South Africa, as well as for purposes of conducting a relevant comparative analysis of the USA.

Both international and South African case law will be referred to, to determine the way in which IP matters are dealt with, and how the legal principles that stem from these cases impact the South African fashion industry.

2. GENERAL OVERVIEW OF APPLICABLE STATUTORY LAW IN THE FASHION SECTOR

2.1 Introduction

At present, the lack of specific and comprehensive legislation governing the fashion industry leaves its application in the ambit and scope of general IP law. This necessitates the analysis of IP legislation as relative to the fashion industry. As a result, protecting the rights of fashion designers may be a daunting task. The key is knowing where to start.

In South Africa, the Companies and Intellectual Property Commission (CIPC) facilitates the registration and maintenance of intellectual property rights.⁷

IP is governed by both statutory law and common law. Common law governs trade secrets, unlawful competition and passing off and comes to the rescue of fashion designers in certain instances where there is a lack of formal statutory IP protection.⁸

However, the focus will be on statutory IP law in relation to fashion design, which will be discussed in greater detail with reference to the following:

- Copyright Act 98 of 1978 (the Copyright Act);
- Designs Act 195 of 1993 (the Designs Act);
- Trade Marks Act 194 of 1993 (the Trade Marks Act);
- Patents Act 57 of 1978 (the Patents Act);
- Counterfeit Goods Act 37 of 1997 (the Counterfeit Goods Act).

2.2. International Treaties and Conventions

It must not go unnoticed that South Africa is a signatory to the following international treaties and conventions:

- Berne Convention since 1928 (the Berne Convention);
- Paris Convention since 1947 (the Paris Convention);

⁷ Available at <http://www.cipc.co.za/za/> accessed on 11 November 2017.

⁸ A Leigh 'Protecting your designs as a fashion designer' (2009) available at http://www.ifashion.co.za/index.php?option=com_content&view=article&id=1730&catid=105 accessed on 3 March 2018.

Convention Establishing the World Intellectual Property Organisation since 1975 (WIPO);
World Trade Organisation – Trade Related Aspects of Intellectual Property since 1995 (the TRIPS Agreement).

These treaties and conventions are also relevant to the South African fashion industry in certain instances, and will be discussed where appropriate, in the chapters to follow.

2.3 Conclusion

There are several, fragmented pieces of legislation in different forms pertaining to the fashion industry.

The following chapters will look at the applicability of the relevant acts in a practical sense to determine whether, in the fashion design process, and in consideration of its multi-faceted nature, there is adequate IP protection available.

3. THE EXTENT OF COPYRIGHT PROTECTION AFFORDED TO FASHION DESIGNERS

3.1 Introduction

3.1.1 Copyright in general

The rationale behind copyright is to afford protection to 'original works of authorship', allowing the owner of the copyright to control its commercial use.⁹

This chapter will illustrate the extent of copyright protection afforded to the original works of fashion designers, predominantly relating to two-dimensional sketches/drawings of their designs, to be transformed into actual items of fashion. It will then be necessary to look at relevant instances in which copyright protection may extend beyond these two-dimensional sketches/drawings.

This chapter will also look at the limited application of copyright law to fashion articles in the USA¹⁰ under heading 3.3 *The Limited Application of Copyright Protection for Fashion Items in the USA*.

3.1.2 How statutory protection extends to the South African fashion industry

The Copyright Act¹¹ in conjunction with the Copyright Regulations of 1978¹², governs the law of copyright in South Africa.

The Copyright Act refers to works eligible for copyright¹³, making provision for 'artistic works',¹⁴ which can be described as a painting, sculpture, drawing, engraving or photograph, irrespective of the artistic quality thereof.¹⁵

Copyright in an artistic work vests the exclusive right to do or to authorise acts such as reproducing the work in any manner or form; and making an adaptation

⁹ Companies and Intellectual Property Commission 'What is a copyright?' available at <http://www.cipc.co.za/index.php/faqs/copyright/> accessed on 26 February 2019.

¹⁰ F Witzburg 'Protecting fashion: A comparative analysis of fashion design protection in the United States and the European Union' (2017) 1137.

¹¹ The Copyright Act 98 of 1978.

¹² GN R2530, GG 6252, 22 December 1978.

¹³ Section 2 (note 11).

¹⁴ Ibid Section 2(1)(c).

¹⁵ Ibid Section 1.

of the work, amongst other things.¹⁶ Further, artistic works are deemed deserving of protection against unauthorised use by third parties.¹⁷

In respect of unauthorised use, Sections 23(1) and 23(2) of the Copyright Act deal with direct and indirect infringement respectively.¹⁸

Copyright protection is the only form of statutory IP law that is afforded automatically, and no formal registration needs to take place for a designer to enjoy or enforce their copyright.

Generally, copyright is territorial in nature and accordingly, South African law does not apply in other countries, nor does foreign national copyright statute apply in South Africa.¹⁹ However, in respect of the national treatment principle, regulated by the Berne Convention of 1928²⁰, the works of South African nationals can be protected in the same manner as domestic works in other Berne countries.²¹ This principle is reinforced in the TRIPS Agreement.²²

A fashion designer also enjoys moral rights in their work,²³ which allows them to claim authorship of the work and to object to any distortion, mutilation or other modification of the work where such is or would be prejudicial to the honour or reputation of the author.²⁴

Before copyright in an artistic work can be applied or enforced, there are certain statutory requirements that need to be met and exceptions to copyright that need to be understood²⁵

¹⁶ Ibid Section 7.

¹⁷ O Dean, A Dyer 'Introduction to intellectual property' 1 ed. (2014) 3.

¹⁸ These sections, along with the determination of copyright infringement in respect of artistic works, will be discussed under headings 3.2 *Requirements of Copyright* and 3.4 *Exceptions in South African Copyright Law*.

¹⁹ Dean & Dyer (note 17) 6.

²⁰ This convention offers copyright protection to literary and artistic works.

²¹ E Levenstein, R Tucker 'South Africa: Introduction to the law of copyright' (2005) available at <http://www.mondaq.com/x/36570/Copyright/Introduction+To+The+Law+Of+Cop> accessed on 3 September 2015.

²² A Rens et al. 'Report on the South African open copyright review' (2010) 41 available at <http://ip-unit.org/wp-content/uploads/2010/07/opencopyrightreport1.pdf> accessed on 3 September 2015.

²³ Section 20 (note 11).

²⁴ Section 20(1) (note 11).

²⁵ W. Malem 'Intellectual property in the fashion design industry' (2012) 10.

3.2 Requirements of Copyright

The two main requirements of copyrightable works are that it must be original²⁶ and in material form.²⁷ The work must be classified correctly so that the extent of protection afforded can be established. It is also a requirement that the work be authored by a so-called 'qualified person'.²⁸

Copyright protected works in the USA must also be original and in a tangible medium of expression.²⁹ A further requirement however, is that there must be some minimal degree of creativity involved.³⁰

3.2.1 Originality

*Klep Valves (Pty) Ltd v Saunders Valve Company Ltd*³¹ confirmed that originality refers to 'original skill' or 'labour in execution', and further that the work in respect of which the copyright is claimed should stem from the author himself, and not be copied.³²

When applying the above principle to fashion design, emphasis is placed on the actual skill or labour resulting in the artwork, such as a sketch/drawing.³³ The protection afforded in this instance is automatic but is limited to that particular sketch/drawing only.³⁴ If the sketch/drawing is then modified and appears to be substantially different from the initial sketch/drawing, it means that separate copyright protection must be sought for the modified adaptation.³⁵

A work is not ineligible for copyright just because it was made in a way that involved infringing the copyright in an existing work.³⁶ The second work may therefore not be considered 'original' in respect of the copied material, but where

²⁶ Section 2(1) (note 11).

²⁷ *Ibid* Section 2(2).

²⁸ Dean & Dyer (note 17) 8.

²⁹ Section 102(a) of the USA Copyright Act of 1976.

³⁰ Witzburg (note 10) 1134.

³¹ 1987 (2) SA 1.

³² *Ibid* par 27.

³³ *Haupt t/a Soft Copy v Brewers Marketing Intelligence (Pty) Ltd and Others* 2006 (4) SA 458 (SCA) par 24.

³⁴ *Ibid*.

³⁵ Dean, O 'Handbook of South African copyright law' (2015) 1-22.

³⁶ Section 2(3) (note 11).

skill or labour was executed in the new matter, the new matter will be considered as original and eligible for copyright.³⁷

When dealing with direct infringement, it is necessary to look at a third party who copies an artwork without the owners' authorisation and thereafter uses it for purposes of commercial exploitation, by misusing or misappropriating a substantial part of the work or copying the work in its entirety.³⁸

Since a work can be partially original, the amount of the protected work that is copied is irrelevant.³⁹ The fashion designer would need to prove that a significant part of his/her work was used in the infringing work.⁴⁰ This may be difficult because in some instances where time, energy and effort went into the reproduction of an infringing work, it may have resulted in a new version, with unique additional embellishments.⁴¹

In *Galago Publishers (Pty) Ltd and Another v Erasmus*⁴², the court held that where infringement by reproduction occurs, it must be shown that there is 'objective similarity' between the alleged infringing work and the original work, or that a substantial part of the original work was reproduced. The infringing work need not be identical to the original work.⁴³ Further, the original work must serve as the source of derivation for the infringing work, resulting in a direct or indirect 'causal connection' between the two.⁴⁴

A fashion designer who owns the copyright would have to establish the above points in order to succeed in a copyright infringement claim, proving that actual copying of the work took place, be it in whole or in part, not just that a mere similarity between the two works exist.

It is therefore worth noting that where there is the making of a work, even if it is similar or identical to the copyright protected work, it will not constitute

³⁷ Dean (note 35) 1-23.

³⁸ Section 23(1) (note 11).

³⁹ Dean (note 35) 1-23.

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² 1989 (1) SA 276 (A) at 280 A-D.

⁴³ *Ibid* par 6.

⁴⁴ *Ibid.*

infringement if the creator produced the second work independently and without reference to the protected work.⁴⁵

For example, jewellery designer, Designer A, creates a set of stackable name rings and markets these on her website. Designer A then discovers Designer B's website page on which Designer B also offers for sale, personalised stackable name rings.

Designer A, in a 'cease and desist' letter to Designer B, claims that she has copyright protection in respect of the two-dimensional jewellery designs.

Designer B, not disputing that Designer A has exercised due skill and labour in producing her ring designs, responds by stating that she herself has exercised original skill and effort in creating the alleged infringing designs. Designer B does this by studying a number of available designs online, and thereafter produces a range of her own designs in a way that doesn't result in slavish copies of existing designs.

Although Designer B's alleged infringing ring designs may superficially resemble that of Designer A's, it also resembles a large number of ring designs already in circulation.

Therefore, Designer B in this instance may not have been aware of Designer A's stackable ring designs at all, and if this is the case, Designer B will not be liable for copyright infringement. On the other hand, if Designer B did directly copy Designer A's designs, it would be difficult for Designer A to prove in these circumstances. Perhaps if copies of the goods did not appear on other online sources, Designer A may have had a better chance of establishing a copyright infringement claim.

Consequently, copyright law prevents the copying of a work or even a part of the work but does not prevent the creation of an identical work without copying.⁴⁶ Even in the instance where something looks identical to the protected work but

⁴⁵ Dean (note 35) 1-76.

⁴⁶ Ibid 1-75.

there would have been no copying involved, it will not result in copyright infringement.⁴⁷

3.2.2 Material form

This requirement is provided for in terms of Section 2(2) of the Copyright Act in that there must be a physical or material manifestation or embodiment of an artistic work in order for copyright protection to be afforded.⁴⁸ This would exclude protection of the 'look and feel' or idea and concept of an artistic work.⁴⁹

In infringement proceedings, consider a straightforward example of a two-dimensional design that was copied exactly. There can be no doubt that copying took place of the 'material embodiment'.

However, difficulty may be experienced where broader concepts of a copyrighted work have been utilised to create a thing, especially in South African copyright law where no protection is afforded for idea or concept.⁵⁰

In the British case of *Designers Guild Ltd v Russell William Textiles Ltd*⁵¹, the similarity of an infringing fabric design did not relate to exact copying of detail, but rather to the overall combination and placement of flowers and stripes, which amounted to copying of a substantial part of the protected work.⁵²

A similar approach was taken in the Australian case, *Elwood Clothing Pty Ltd v Cotton on Clothing Pty Ltd*⁵³, where emphasis was placed on the layout related to the selection, arrangement and style of the copyright protected work as a whole, and was therefore seen as matter of expression, not just an idea or concept.⁵⁴

Although copyright protection in the USA does not extend to the 'look and feel' of fashion items, protection for this can be sought through trade dress.⁵⁵ This will

⁴⁷ Ibid.

⁴⁸ Dean & Dyer (note 17) 19.

⁴⁹ O Dean 'Handbook of South African Copyright Law' (2012) 1-79.

⁵⁰ Ibid 1-25.

⁵¹ HL 28 Nov 2000.

⁵² Dean (note 49) 1-78.

⁵³ [2008] FCAFC 197.

⁵⁴ Dean (note 49) 1-78.

⁵⁵ Witzburg (note 10) 1132.

be discussed further in relation trade mark law under *5.8 The Absence of Trade Dress Protection in South African Trade Mark Law*.

Contrary to the above, there is no protection afforded for the 'look and feel' of a fashion article in South African IP law, in any relevant form. To some extent, this is fair. However, insofar as 'look and feel' can be separated from idea or concept, South African courts should perhaps take into account when a significant part of a copyright protected work has been copied.⁵⁶

For example, popular and well-established bridal couture fashion designer, Designer X, who expends original skill and effort in the design concept for her fashion catalogue, comes across a similar layout of goods in a fashion catalogue belonging to startup designer, Designer Y.

Unfortunately for Designer X, who may feel that the unique 'look and feel' of her fashion catalogue has been copied, Designer Y, who will most likely claim that she has also expended original skill and effort in creating her fashion catalogue, will not be guilty of copyright infringement.

3.2.3 Qualified person

This requirement deals with the ownership of copyright and states that the author, being a qualified person, must be a South African citizen or an individual domiciled or resident in South Africa.⁵⁷

The author in relation to the artistic work is usually the person who first makes or creates the work⁵⁸ and therefore, the fashion designer who creates the original artwork in material form, including a designer who, for example, produces digital drawings using a computer⁵⁹, will be the owner of the copyright.⁶⁰ However, where an artistic work is made during the course and scope of the designers' employment, the employer would be the owner of the copyright.⁶¹

⁵⁶ Dean (note 49) 1-79.

⁵⁷ Section 3(1)(a) (note 11).

⁵⁸ *Ibid* Section 1(1).

⁵⁹ Dean (note 49) 1-36.

⁶⁰ Dean & Dyer (note 17) 20.

⁶¹ *King v SA Weather Service* (716/07) [2008].

In some cases, difficulty may arise in determining the exact moment that a work, capable of copyright protection, comes into being. In the fashion design process, it is understood that there are several stages involved. During each stage of development, there is a point at which a work reaches its final form and is thereafter exploited or reproduced accordingly.⁶² Although this is to be determined on a case-by-case basis, it is understood that the final, complete version, ready for utilisation and/or commercial exploitation, is the work in which copyright exists.⁶³

Professor Dean makes use of a relevant example in respect of an artistic work, such as a design printed on fabric.⁶⁴ Here, the design may have first been captured by the designer as a rough sketch to be developed into a painting later on. The painting would thereafter be transformed into the textile design.⁶⁵

The rough sketch would therefore be seen as a stage in the development process and will not be considered to be the 'complete work'. The painting would then form the basis of the 'copyright work' and the textile design would be the final product to be 'commercially exploited'.⁶⁶

In light of the above example, it may be possible for there to be two authors, each having copyright in separate works. The first author would be the artist of the work embodied in the painting, while the second would enjoy copyright protection in the textile design.⁶⁷

Essentially, the author of the work is the person responsible for the material embodiment of the work, once again reinforcing the point that the originator of an idea or concept cannot claim any rights in an idea alone.⁶⁸

3.3 The Limited Application of Copyright Protection for Fashion Items in the USA

Automatic copyright protection is also afforded in the USA in respect of two-dimensional works such as sketches/drawings. However, it is possible to register a

⁶² Dean (note 49) 1-31.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Dean (note 49) 1-32.

⁶⁷ Ibid 1-33.

⁶⁸ O Dean 'Handbook to South African copyright law' (1993) 1-16.

copyright protected work with the USA Copyright Office, as registration, in most of their courts, is a prerequisite to sue for copyright infringement.⁶⁹ In limited instances, USA copyright protection also extends to certain features or components of fashion articles, such as intricate textile designs.⁷⁰

The main reason for the limited application of rights is because a complete fashion garment is seen as utilitarian in nature⁷¹ and where the design of a garment cannot exist separately from the utilitarian aspect of it, no copyright can be afforded.⁷² Despite the aesthetic appeal of a pair of pants, for example, there is difficulty in separating it from its utilitarian nature.⁷³

In an application of the above, a distinction is usually drawn between fabric and dress designs. The former, for example, would relate to a repeated pattern or print on a dress, which copyright protection extends itself to since the pattern could be separated from the dress it was applied to.⁷⁴ The latter would refer to the final product, which would be the shape, style and cut of the dress to which no copyright protection is afforded.⁷⁵

Garments that serve additional functions such as costumes may, at times, be registrable where the design elements can exist independently from the overall function.⁷⁶ Items like prom dresses on the other hand, could pose more of an issue as decorative elements may be 'intrinsic' to certain fashion items and not necessarily separable therefrom.⁷⁷

USA case law has displayed much confusion over the topic. It is therefore important to consider the possible impact of the SCA decision, *Star Athletica L.L.C v Varsity Brands Inc.*⁷⁸ which deals with the issue of 'physical separability'.⁷⁹

⁶⁹ Witzburg (note 10) 1134.

⁷⁰ Ibid 1132.

⁷¹ In line with Section 101 (note 29).

⁷² Witzburg (note 10) 1135.

⁷³ E Mills, 'Intellectual property protection for fashion design: An overview of existing law and a look toward proposed legislative changes' (2009) par 1.

⁷⁴ Witzburg (note 10) 1136.

⁷⁵ Ibid 1135.

⁷⁶ *Chosun Int'l, Inc. v Chrisha Creations Ltd.*, 431 F.3d 324 (2d Cir. 2005).

⁷⁷ *Jovani Fashions v Fiesta Fashions*, 12-598-cv, 2012 WL 4856512 1.

⁷⁸ 580. US (2017).

⁷⁹ Witzburg (note 10) 1132.

The case involved copyright infringement proceedings being instituted over two-dimensional designs as applied to cheerleading uniforms.⁸⁰

The test for establishing whether certain designs of useful articles were worthy of copyright was set out in two steps. The first is whether the two or three-dimensional 'work of art' can be perceived as separate from the useful article; and the second is whether a two or three-dimensional design would qualify as a protectable 'pictorial, graphic or sculptural work', either on its own or in some other medium if imagined separately from the useful article.⁸¹

Varsity brands were able to satisfy the above test, creating some hope for fashion designers who wish to enforce their copyright in future.

However, a different approach was taken in the case of *Puma SE v Forever 21*⁸², when Puma was denied copyright protection over certain design elements of their shoes. They were frustrated at the outcome and stressed their concern over how trends are taken advantage of in the short time frame for which they are valuable.⁸³

In an attempt to extend copyright protection to useful fashion articles such as clothing, handbags and eyewear⁸⁴, a proposal has been put forward in terms of the Innovative Design Protection Act of 2012 (IDPA),⁸⁵ affording designers three years' worth of copyright protection over their fashion articles and allowing them to sue for copyright infringement where it can be proven that exact copying took place.⁸⁶

The implementation of the IDPA may assist fashion designers in matters of counterfeit goods and design infringement cases, especially in instances where fashion retail stores like Zara and H&M copy designs of big fashion houses, selling knock-offs of high-end products at a much lower cost.⁸⁷

On the other hand it has been argued, in accordance with the 'piracy-paradox', that copying promotes innovation and benefits those who come up with the original

⁸⁰ *Varsity Bands Inc. v Star Athletica LLC*, No. 10-2508, 2014 WL 819422 (W.D. Tenn. Mar. 1. 2014).

⁸¹ *Ibid.*

⁸² 2:17-cv-02523 (c.d. cal).

⁸³ Witzburg (note 10) 1140.

⁸⁴ Mills (note 73) par 9.

⁸⁵ *Ibid.*

⁸⁶ Witzburg (note 10) 1140.

⁸⁷ B Kadian-Dodov 'Fashion police: Intellectual property in the fashion industry' (2013) 27.

designs.⁸⁸ It has further been stated that well-established fashion houses will not suffer a great deal because they appeal to high-end customers who are more than happy to pay exorbitant amounts for their creations.⁸⁹

It appears unlikely that the implementation of the IDPA will take place anytime soon as the USA generally adopts a strict approach in affording copyright protection within the fashion industry.

Comparatively, the law and application discussed under the following heading will show how South African copyright law goes a step further in affording protection for fashion design.

3.4 Exceptions in South African Copyright Law

3.4.1 Reverse engineering

- *the law*

Section 15(3A) of the Copyright Act deals with the so-called exception of 'reverse engineering'. It states that where a copyright owner has directly or indirectly produced and sold three-dimensional derivative articles of his or her work anywhere in the world, and such derivative articles primarily have a 'utilitarian purpose'⁹⁰ and are made by an 'industrial process'⁹¹, no infringement occurs thereafter by the making of unauthorised reproductions, by means of indirect copying.⁹²

In *Bress Designs (Pty) Ltd v G Y Lounge Suite Manufacturers (Pty) Ltd and Another*⁹³, it was held that a peculiar, yet original M shaped sofa had a primarily utilitarian purpose and thus fell within the ambit of S15 (3A). This was based on the principle that the purpose of the article and not the article itself must have a primarily utilitarian purpose for the Section 15(3A) exception to apply.

⁸⁸ K Raustiala, C Sprigman 'The piracy paradox: Innovation and intellectual property in fashion design' (2006) 3.

⁸⁹ Kadian-Dodov (note 87) 27.

⁹⁰ "useful or practical rather than attractive" as per the Oxford Dictionary 9th Ed. 1017.

⁹¹ a systematic series of mechanical or chemical operations that produce or manufacture something available at <http://www.webster-dictionary.org/definition/industrial%20process> accessed on 4 June 2018.

⁹² Lombard, P 'Utilitarian purpose and Section 15(3A)' (2006) 6.

⁹³ 1991 (2) SA 445 (W).

In applying the above to fashion design, despite the intention of a designer being to create a garment that appears attractive, clothing is primarily utilitarian in nature. However, it is also important to consider the other requirements of Section 15(3A) in order to determine its applicability.

The case of *Helm Textile Mills (Pty) Ltd v SA Fabrics CC and Others*⁹⁴, involved a woven textile, to be applied to furniture at some later stage, in which considerable time and effort was expended.⁹⁵ The respondents in the matter admitted that samples of the original works were copied identically.⁹⁶

The court stated that where an item of furniture with the woven textile was purchased for a utilitarian purpose, despite it being aesthetically pleasing, the textile would not be protected in terms of the Copyright Act. However, the opposite would be true where the complete article, containing the woven textile, was bought as a collector's item.⁹⁷

It was held that it was irrelevant whether the respondents copied the original work of the applicant, due to the finding that a woven textile design, where a colour pattern was embroidered in the weaving, fell within the scope of Section 15 (3A).⁹⁸ The allegedly infringing textile was therefore seen to be a three-dimensional reproduction with a primarily utilitarian purpose.

The above case can be criticised for its incorrect application of the Section 15(3A) exception. The court should have seen that the woven textile was afforded protection through the 'pattern and ornamentation' thereof and further, that the circumstances of a woven design do not render the article a three-dimensional one.⁹⁹ Therefore, the textile did not have a primarily utilitarian purpose as and when it was sold. Only later on would it be applied to furniture, which arguably at that stage, it could be considered in terms of S15(3A).

- *practical application of law*

⁹⁴ [2005] JOL 14423 (T).

⁹⁵ *Ibid* par 6.

⁹⁶ *Ibid* par 11.

⁹⁷ *Ibid* par 26.

⁹⁸ *Ibid* par 28.

⁹⁹ Dean (note 49) 1-100.

In summary and insofar as the exception relates to the South African fashion industry, where embroidered textiles are to be applied to clothing (as was to be applied to furniture at a later stage in the *Helms* case), the Section 15(3A) exception should not apply. This stance would also be taken in terms of USA copyright law.

Where an unauthorised third party transforms a sketch/drawing or related copyright protected work into a three-dimensional article, the copyright owner, most likely the fashion designer, would be entitled to sue for copyright infringement.¹⁰⁰ However, in the USA, unless the ‘physical separability’ test is passed in the circumstances, the fashion designer will have no copyright in the reproduced fashion article, and where copyright protection is afforded, it will be limited to the element which can be separated from the garment as a whole.¹⁰¹

In terms of South African copyright law, there will be no copyright infringement where a three-dimensional version of the sketch/drawing is not causally connected to the actual sketch/drawing or related copyright protected work.¹⁰² Where for example, a designer, from their copyright protected work, industrially produces items of clothing for sale to the public/retail outlets, and where these items of clothing are thereafter reproduced by a third party without the authorisation of the copyright owner, Section 15(3A) will prevail.

However, if for example, a South African fashion designer sews a once-off garment from their two-dimensional sketch/drawing for an exhibit at a fashion show, and the garment is thereafter copied by an unauthorised third party, the Section 15(3A) exception will not apply due to the absence of the ‘industrial process’ requirement. The opposite will be true where this occurs in the USA, as no copyright protection will be extended to the reproduced garment. Despite there being no mass-production involved at that stage, unauthorised third parties who copy, can get away unscathed.

Consequently, Section 15(3A) was introduced into the South African Copyright Act to prevent copyright owners from effectively using their copyright as a form

¹⁰⁰ Ibid 1-99.

¹⁰¹ Witzburg (note 10) 1135.

¹⁰² *Dexion Europe LTD V Universal Storage Systems Ltd* (500/2000) [2002] ZASCA par 4.

of unregistered design and thus preventing competition in the manufacture of technical products.¹⁰³ Even though it may seem so at first glance, it was never the intention of Section 15(3A) to deprive authors of copyright protection in their aesthetic creations¹⁰⁴ as appears to be the case for copyright protection afforded to fashion garments in the USA.

3.4.2 *Fair use*

Section 12 of the Copyright Act deals with the exception of 'fair use'.

Where, for example, a two-dimensional artwork in respect of a fashion design is copied for purposes of research, private study, criticism or for purposes of reporting a current event,¹⁰⁵ it is unlikely that copyright infringement will ensue.

For the above defence to succeed, it must be determined whether the particular use was for an exempted purpose as per Section 12 of the Copyright Act, and secondly, whether the use was fair.¹⁰⁶

In terms of USA copyright law, there is no set list of exceptions provided. Instead, certain factors such as the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality of the portion used and the effect upon the plaintiff's potential market, must be considered.¹⁰⁷ South African courts should perhaps take these factors into account, on a case-by-case basis, when applying the Section 12 defence.

Nevertheless, the general rule will stand that copying an entire work will not be seen as 'fair use' where the economic interests of the copyright owner are adversely affected, in that the owner ought to have obtained remuneration for the copying of its work.¹⁰⁸ For example, where a two-dimensional design or textile which meets the requirements of copyright protection is copied by another designer for commercial gain, the 'fair use' exception will not suffice.

¹⁰³ Dean (note 49) 1-99.

¹⁰⁴ Lombard (note 92) 6.

¹⁰⁵ Section 12 (note 11).

¹⁰⁶ Dean (note 49) 1-95.

¹⁰⁷ *Ibid.*

¹⁰⁸ Dean (note 49) 1-96.

3.5 What Constitutes Indirect Copyright Infringement?

Indirect or secondary infringement relates to a person who deals in infringing articles¹⁰⁹ and performs any of the acts stated in Section 23(2) of the Copyright Act, including importing goods into South Africa for a purpose other than for private and domestic use¹¹⁰; selling¹¹¹ or distributing¹¹² copyright protected goods without the authorisation of the copyright owner.

In addition to any of the above acts, the injured party claiming infringement must prove 'guilty knowledge' on the part of the infringing party.¹¹³

This section also relates to further issues, which will be discussed in more detail under *7.3 Parallel Importation*.

3.6 The Duration of Copyright

In terms of South African copyright law, a fashion designer would enjoy copyright protection for the duration of their life and 50 years after their death.¹¹⁴

Once copyright expires, it falls into the public domain and other designers will not require permission prior to using these expired works. They will however not be permitted to pass the work off as their own and must acknowledge the work of the previous designer who owned the copyright.¹¹⁵

3.7 Conclusion

With the above in mind, it can be seen that South African fashion designers are afforded adequate legal protection for their original artwork, sketches and drawings in material form.

The Copyright Act combined with international treaties and conventions such as the Berne Convention, allow for South African fashion designers to enforce their legal

¹⁰⁹ Ibid 1-81.

¹¹⁰ Section 23(2)(a) (note 11).

¹¹¹ Ibid Section 23(2)(b).

¹¹² Ibid Section 23(2)(c).

¹¹³ Ibid Section 23(2).

¹¹⁴ Ibid Section 3(2)(a).

¹¹⁵ Dean & Dyer (note 17) 21.

rights and pursue a claim where such rights have been infringed in South Africa and possibly elsewhere.

In respect of the exceptions to copyright, it is incorrectly assumed by many that copyright protection afforded to fashion designers is restricted to a large extent. A correct interpretation and application of legal principles and statutory law in these instances prove otherwise.

When comparing the Section 15(3A) exception to the standard application of copyright law in the USA, it can be seen that South African designers are in fact afforded greater protection from unauthorised copying. This exception in our law also serves its intended purpose, which is to prevent copyright law from stepping into design law territory. In light of this, proposals made in terms of the IDPA to extend copyright protection in the USA, will not be necessary in our law.

It is also easy to confuse design law elements with copyright protection when attempting to understand the particular roles that copyright, and design law play in the fashion design process. It is important to differentiate between the artistic work and the final product as well as understand the limitations of the different rights, for example, the application of Section 15 (3A) of the Copyright Act.

Once a closer look is taken into the applicability of the Designs Act, relevant case law and appropriate examples, it is hoped that any such confusion will be cleared.

4. DESIGN LAW AND ITS APPLICABILITY IN THE FASHION SECTOR

4.1 Introduction

When consumers wish to purchase an article for use, such as an item of clothing, they are often influenced by appearance. Where one article with a particular design may sell better than one without it, it is most likely profitable to use the design and of course, register it.¹¹⁶

Design law tends to be underestimated by our local designers, often to their detriment, when they do not consider design protection in their creative process.¹¹⁷

A logical stage in the act of creating a fashion item is to look at protecting the outward appearance of a fashion article in its physical and three-dimensional form.

4.1.1 Registered design law in South Africa

Section 1 of the Designs Act¹¹⁸ makes provision for two types of possible registrations, being aesthetic and functional designs. The scope and application of these design categories need to be understood so that one may determine the appropriate avenue in respect of filing design applications for fashion items.

The registrability of a design is determined according to the intrinsic and extrinsic characteristics of the design. The intrinsic characteristics are what a design really is. The extrinsic characteristics are the legal standards which a design must meet to be 'registrable'.¹¹⁹

4.2.2 The equivalent of registered design law protection in the USA

In the USA, design patent protection can be sought for the protection of aesthetic designs.¹²⁰ This protects new, original and ornamental designs and allows for the protections of actual fashion designs, but is limited to the elements which are novel.¹²¹ Novelty, as will be seen from an explanation of our law, is an essential

¹¹⁶ *MCG Industries (Pty) Ltd v Chespak (Pty) Ltd* (17527/2010) [2011] ZAGPPHC 222 par 6.

¹¹⁷ M Du Plessis 'Aesthetic or functional :Protect your design' (2017) available at <https://www.adamsadams.com/aesthetic-functional-protect-design/> accessed on 8 September 2018.

¹¹⁸ The Designs Act 195 of 1993.

¹¹⁹ T Burrell 'Burrell's South African patent and design law' 4th ed. (2016) 9.19.

¹²⁰ Witzburg (note 10) 1132.

¹²¹ *Ibid* 1134.

requirement for a registered design or design-patent in the USA. For example, novel embroidery on a part of a fashion garment may be eligible for design patent protection but no protection can be claimed for the 'configuration' of that part of the garment.¹²²

Designs which incorporate pre-existing designs or re-workings of older designs will not qualify for design-patent protection in the USA.¹²³ Further, no holistic protection is offered for a garment in respect of design patent protection, once again resulting in limited protection being afforded.¹²⁴

4.2 *Aesthetic Designs*

4.2.1 *Intrinsic characteristics*

An aesthetic design means any design applied to an article, whether for the pattern, shape or the configuration or ornamentation thereof, or for any two or more of those purposes, and by whatever means it is applied, having features which appeal solely to the eye, irrespective of the aesthetic quality thereof.¹²⁵

When talking about an aesthetic design being 'applied to an article', it is inclusive of any article of manufacture and also includes a part of such article if manufactured separately.¹²⁶ For example, if a shoe and a patterned heel were made separately and were subsequently fitted together, the final design could possibly be registered as an aesthetic one.

Both pattern and ornamentation signify something in two-dimensional form as opposed to three-dimensional.¹²⁷ In general, pattern refers to decorative or artistic design, such as a floral print on a shirt. The word 'ornamentation' is then used to refer to an adornment on a fashion item, for example, a necklace that is attached to the collar of a shirt.

¹²² Mills (note 73) par 4.

¹²³ Witzburg (note 10) 1134.

¹²⁴ Mills (note 73) par 4.

¹²⁵ Section 1(1) (note 118).

¹²⁶ Burrell (note 119) 9.21.

¹²⁷ Ibid 9.22

It must also be noted that the natural meaning of 'pattern and ornamentation' do not necessarily exclude colour.¹²⁸ For example, designs for football shirts with the same basic pattern but distinctly different colours could both be registered as aesthetic designs, if the definitive statement¹²⁹ accompanying the design applications are appropriately phrased.¹³⁰

The words 'by whatever means it is applied', includes an application of a design to an article by painting, printing, embroidering, weaving, sewing (and the like), but also covers future technological means of applying designs to articles.¹³¹

It is also a requirement that aesthetic designs 'appeal to and are judged solely by the eye'. The question to ask is whether the relevant feature is included as part of the design, solely for the reason that it performs a function, or whether the article also has in addition thereto, aesthetic appeal. The latter would then generally be seen as an aesthetic design.¹³²

When looking at whose eye the features must appeal to, the answer could be the court, the consumer or even the eye of the fashion designer him/herself. The case of *Swisstool Manufacturing Co v Omega Africa Plastics*¹³³ held that the eye to be considered is the 'eye of the court' but that the court should look at the design 'through the spectacles of the customer'.¹³⁴

4.2.2 Extrinsic characteristics

When referring to extrinsic characteristics, an aesthetic design will have to be new, original and for an article which is intended to be multiplied by an industrial process.¹³⁵

As with USA design patent law, the novelty requirement is essential. In terms of the Designs Act, fashion designers would be able to register a design if it is new

¹²⁸ Dean & Dyer (note 17) 306.

¹²⁹ The importance of definitive statements will be discussed further under 4.7 *Design Infringement in South Africa*.

¹³⁰ T Burrell 'Burrell's South African patent and design law' (1998) par 9.22.

¹³¹ Burrell (note 119) 9.25

¹³² Ibid 9.26

¹³³ 1975 (4) SA 379 (W) 383B.

¹³⁴ Dean & Dyer (note 17) 306.

¹³⁵ Section 14(4) (note 118).

and different or if it does not form part of the state of the art immediately before the date of application for registration or the release date thereof (date at which the design was made public), whichever is earlier.¹³⁶

Essentially, aesthetic design refers to what the actual article looks like, or alternatively, whether a purchaser would be influenced by the appearance of the article.¹³⁷ The registration of an aesthetic design will therefore be relevant to fashion designers who seek design protection for the pattern and/or ornamentation applied to their clothing but once again, should be cautious of the accompanying drawings and definitive statements which ultimately represent their design application.

An example of an aesthetic design application that is likely to proceed to registration would be a unique South African traditional pattern applied to the side panel of a shoe.¹³⁸ If the pattern is the reason why a customer purchases this particular pair of shoes, aspects such as the aesthetic quality is irrelevant, and the mere fact that the features are 'judged solely by the eye' is sufficient'.¹³⁹

4.3 Functional Designs

4.3.1 Intrinsic characteristics

A functional design, intrinsically, is a design applied to any article whether for the pattern, shape, configuration or for any two or more of such purposes by whatever means it is applied, having features which are 'necessitated by the function' of the article.¹⁴⁰

Once again, let us look at the shoe and patterned heel which are manufactured separately but are subsequently fitted together. A registered functional design application would only be applicable in the instance where the sole aim of the patterned heel has some sort of purpose, for example, to improve ones' grip while rock climbing.

¹³⁶ Ibid Section 14(2).

¹³⁷ Dean & Dyer (note 17) 306.

¹³⁸ South African patent journal (July 2017) 252.

¹³⁹ Dean & Dyer (note 17) 306.

¹⁴⁰ Section 1(1) (note 118).

4.3.2. Extrinsic characteristics

Extrinsically, a functional design must also be new, not commonplace and for an article which is intended to be 'multiplied by an industrial process'.¹⁴¹ The same importance is placed on novelty as with aesthetic designs in that a functional design should not be a trivial alteration to an existing design when viewed through the eyes of a person skilled in the field of articles to which the design is applied.¹⁴²

In looking at the design of the 'Scoody', being part scarf and part hoody, despite the aesthetic appeal it may have in respect of its different patterns/colours, this article of clothing will be registered as a functional design due to the clever combination of the two functional aspects which may be made from a variety of materials.¹⁴³ Ultimately, the 'Scoody' serves the function of having a scarf and a hoody in one garment.

4.4 The Importance of Industrial Process as a Requirement

Where the Section 15(3A) exception of the Copyright Act does not allow the fashion designer to enforce copyright protection for an industrially produced three-dimensional garment which was thereafter copied, would a registered design be enforceable?

As per the *Bress-Designs*¹⁴⁴ case, an important factor to note is that a registered design would have to be mass produced. A single fashion item would therefore not meet the requirements of a registered design in terms of the Designs Act but may be afforded copyright protection in the circumstances.

In the same token, design law will come to the rescue of the fashion designer where the copyright exception of Section 15 (3A) denies them copyright protection, subject to the design having met all the requirements for registration in terms of the Designs Act. The law ties up in this sense because if it were not for the above exception, copyright law would be overstepping into design law territory.

¹⁴¹ Ibid Section 14(1)(b).

¹⁴² SAIPL 'Designs' available at <http://saiipl.co.za/designs/> accessed on 16 February 2016.

¹⁴³ South African patent journal (Aug 2017) 398.

¹⁴⁴ (note 93).

4.5 Should Fashion Items be Registered as Aesthetic or Functional Designs?

Some have interpreted the obvious answer to this question to be functional designs for the reason that clothing tends to be functional in nature. It has further been stated that if fashion design extended itself to the protection of aesthetic designs, it would create a monopoly of rights within the fashion industry.¹⁴⁵

In light of the above discussion of both aesthetic and functional design requirements, it is safe to say that items of clothing can in fact be filed as either aesthetic or functional design applications (sometimes both), depending on the design itself.

In summary, the general principles for filing a design application will allow for the registration of an item of clothing by the mere fact that the designer wishes to seek protection, 'for the pattern, shape or the configuration or ornamentation thereof, or for any two or more of those purposes, and by whatever means it is applied'.¹⁴⁶

What then determines whether the design should be filed as an aesthetic or functional one is based on whether the particular fashion item is 'judged solely by the eye'¹⁴⁷ or is 'necessitated by the function'.¹⁴⁸

It must also be re-iterated that aesthetic design registrations need not be exclusively aesthetic but may combine both aesthetic and functional features. This is the reason why, items of clothing which appear to be functional in nature, are not entirely excluded from being filed as aesthetic designs, as with the example of a unique patterned heel applied to a shoe. The shoe would then be 'judged solely by the eye' when being purchased by the customer. The functional features of the shoe, such as the shoelace for example, would be excluded from protection.¹⁴⁹

The notion that fashion items can only be filed as functional designs is therefore a misinterpretation of the purpose of aesthetic and functional designs in terms of the Designs Act.

¹⁴⁵ S Parbhoo 'Designing justice: A critical analysis of intellectual property rights within the fashion industry:' (2016) 25.

¹⁴⁶ Section 1(1) (note 118).

¹⁴⁷ Dean & Dyer (note 17) 306.

¹⁴⁸ Burrells (note 119) 9.28.

¹⁴⁹ Section 14(5) (note 118).

Further, the grant of a design registration is far from being without its limitations. Not only are registered functional and aesthetic designs valid for 10 and 15 years respectively, they are also limited to the extent of the definitive statement and drawings which accompany them. It would therefore never have been the intention of the legislature to afford the designer an absolute monopoly of rights.¹⁵⁰

4.6 Who is the Owner of the Registered Design?

The owner of the design would be the person who really represents, creates or gives effect to the idea or imagination of the design¹⁵¹, most likely to be the fashion designer him/herself. Alternatively, the person who is most nearly the effective cause of the completed design, would be deemed to be the owner of the design.¹⁵²

4.7 Design Infringement in South Africa

A third party can only potentially infringe a design if they have imported, used, or disposed of any article embodying the registered design, or a design not substantially different from the registered design.

In respect of the test for infringement as summarised in *BMW vs Grandmark*,¹⁵³ it must be established that the allegedly infringing act is of such a nature that it could constitute an infringement of a registered design or otherwise, be excusable. Further, the article in issue must be included in the same class as the registered design. This can assist in the determination of whether the novelty requirement is met, as it would be ruined if the registered design was filed in the wrong class. In addition to the above, the alleged infringement must fall within the scope of the registration in respect of the definitive statement and accompanying drawings filed in support of the application for registration. Finally, the defendant or respondent must have a valid defence.¹⁵⁴

¹⁵⁰ Burrells (note 119) 9.4.

¹⁵¹ Ibid 9.33.

¹⁵² *Pan African Engineers (Pty) Ltd v Hydro Tube (Pty) Ltd and another* 1972 (1) SA 470 (W) par 472.

¹⁵³ *Bayerische Motoren Werke Aktiengesellschaft v Grandmark International (Pty) Ltd and Another* [2012] ZAGPPHC par 139.

¹⁵⁴ Ibid par 30.

In light of the above, where Designer A could not establish a successful case of copyright infringement for her stackable name rings, could she possibly seek recourse against Designer B in terms of the Designs Act?

Assume that Designer A had in fact applied to register an aesthetic design for 'A SET OF JEWELLERY ARTICLES', accompanied by a definitive statement and drawings depicting top, front and side views of the ring, displaying the name 'JOE' in the space where a name would be inserted.

Whether the alleged infringing stackable name ring design constitutes an infringement must be determined by the 'eye of the court', 'through the spectacles of the likely beholder' in the class of article to which the design is applied.¹⁵⁵ This will have an impact on the interpretation of the scope of the design, as well as the infringement of the design.¹⁵⁶

In practice, a design and an allegedly infringing article are hardly ever identical, and the phrase 'substantially different' is a key term. The court will therefore need to compare the allegedly infringing article with the registered design.¹⁵⁷ This approach was adopted in *Clipsal Australia Pty Ltd v Trust Electrical Wholesalers*,¹⁵⁸ where it was stated that there must be 'a determination of whether the respondent's products embodies the registered design or a design not substantially different from the registered design'.¹⁵⁹ The court therefore looks for substantial differences and not just general differences.¹⁶⁰

The case of *Chespak (Pty) Ltd v MCG Industries (Pty) Ltd*¹⁶¹ reinforced the above principle by setting out the test in the form of the following question: "Has the alleged infringement substantially the same appearance as that of the registered design?" This shows that small insubstantial differences will generally not save a third party from infringing a registered design of a fashion designer.¹⁶² So far, it would appear that the

¹⁵⁵ Burrells (note 119) 9.82.

¹⁵⁶ Dean & Dyer (note 17) 323.

¹⁵⁷ Burrells (note 119) 9.82.

¹⁵⁸ [2007] SCA 24(RSA).

¹⁵⁹ Ibid par 4.

¹⁶⁰ Dean & Dyer (note 17) 323.

¹⁶¹ 2014 BIP 465 (GP).

¹⁶² Ibid par 21.

allegedly infringing set of stackable name rings do have substantially the same appearance as the designs belonging to Designer A.

It is also sometimes necessary to determine what the essential features of the design are.¹⁶³ Simply put, if the essential features have not been adopted, there will be no infringement.¹⁶⁴

One then turns to the definitive statement which outlines the scope of the claimed design.¹⁶⁵ As established in the case of *Tesla Radio Corp of SA (Pty) Ltd v Mullard SA (Pty) Ltd*,¹⁶⁶ where there is no specific claim in the definitive statement to any particular feature or features of the design depicted in the representations, the design registration is a registration for the design as a whole, and another design will be an infringement only if it is not substantially different from the registered design looked at as a whole.¹⁶⁷

On the other hand, where certain features are disclaimed in respect of the accompanying drawings or perhaps emphasised with regards to what the proprietor believes are the essential features of the design, the definitive statement will be crucial in determining the scope of protection claimed.¹⁶⁸

What defence will Designer B then use in this instance? Could she possibly plead ignorance of Designer A's design registration or put forward that she had no intention of copying Designer A's design? What if Designer B submits that she will restrain her infringement of the design?

To answer the above questions, it is firstly important to note that ignorance is not a valid defence and will not prevent the court from granting an interdict against Designer B.

¹⁶³ Burrells (note 119) 9.82.

¹⁶⁴ Ibid.

¹⁶⁵ Dean & Dyer (note 17) 323.

¹⁶⁶ 1957 (4) SA 140 (W) at 141D–E.

¹⁶⁷ Burrells (note 119) 9.82.

¹⁶⁸ Dean & Dyer (note 17) 323.

Further, the absence of an intention to infringe is not a valid defence¹⁶⁹ and Designer B ceasing continued infringement of Designer A's design will hold no relevance in the matter. Designer B will still be guilty of infringement.¹⁷⁰

Perhaps the following options serve as more viable solutions to Designer B:

In terms of the Designs Act:

“In any proceedings for infringement the defendant may counterclaim for the revocation of the registration of the design and, by way of defence, rely upon any ground on which the registration may be revoked.”¹⁷¹

There are also other well-known defences such as a denial of the registered proprietor's title to the registered design; estoppel; leave and licence; election; and the 'Gillette defence'.¹⁷²

The so-called 'Gillette defence' is said to be available to a defendant who is able to establish that at the date of registration of the design, the act of alleged infringement complained of was neither novel nor original or was commonplace.¹⁷³

Therefore, to come to Designer B's rescue in this instance, the following argument could be put forward:

Firstly, although Designer B may admit that her stackable name rings are substantially similar to the registered design application, she could argue that the design application is directed to a name ring featuring the name 'JOE', without any disclaimer of the name being entered. Designer B's allegedly infringing design, not featuring the name 'JOE' in particular, means that her ring designs would not have infringed Designer A's design.

This is where the crucial interpretation of the definitive statement, explained above, becomes relevant. Designers should be made aware of the importance of the content

¹⁶⁹ Burrells (note 119) 9.85.

¹⁷⁰ Ibid 9.86.

¹⁷¹ Section 35(5) (note 118).

¹⁷² Burrells (note 119) 9.83.

¹⁷³ Ibid 9.84.

of their definitive statement, especially when claiming special features or entering disclaimers.¹⁷⁴

Secondly, where Designer B can prove that her ring design was first sold earlier than the filing date or release date of Designer A's application, she would succeed in invalidating Designer A's registered design application. Designer B, in this instance, should also be able to corroborate this contention with dated sales documentation, accompanied by further proof from customers as independent third parties.

The above would be a successful execution of the 'Gillette Defence'.

Finally, Designer B, having found proof that virtually identical stackable name rings to Designer A's were posted prior to the design application of Designer A (prior publication), can lead the court to the conclusion that Designer A's design is in fact invalid for lack of novelty.

4.8 Design Patent Infringement in the USA

When deciding on design patent infringement, the USA courts compare the patented and allegedly infringing designs as a whole.¹⁷⁵

In *Crocs Inc. v Int'l Trade Comm*¹⁷⁶, the appellant sued 11 respondents for violation of their utility and design patent foam footwear.

The Federal Circuit went against the first two rulings, emphasising that the observer test in determining whether design patent infringement has occurred is as follows:

“an ordinary observer, familiar with the prior art designs, would be deceived into believing that the accused product is the same as the patented design”¹⁷⁷ and

“if the claimed design is close to the prior art designs, small differences between the accused design and the claimed design assume more importance to the eye of the hypothetical ordinary observer.”¹⁷⁸

¹⁷⁴ Dean & Dyer (note 17) 323.

¹⁷⁵ K Ray et al 'If the shoe fits: What footwear cases teach us about IP protection and enforcement' (2018) 7.

¹⁷⁶ 598 F.3d 1294 (Fed. Cir.2010).

¹⁷⁷ Ibid par 1301.

¹⁷⁸ Ibid.

However, the observer will probably consider the overall effect the differences have on the design before placing importance to such differences.¹⁷⁹

The test therefore applies to the design in its entirety and the deception that arises is a result of the similarities in the overall design, not of the similarities in ornamental features in isolation, and not of substantial differences as in South African law. Nevertheless, the test as applied in the USA has the same effect as the South African position in that minor differences between the two designs cannot overcome a claim for infringement.¹⁸⁰

It was held that when compared side to side, the allegedly infringing design can be seen to embody the overall effect of the Crocs shoe.

It was further held that a heavy reliance on the detailed verbal construction may cause too much of a fact finder approach to be taken in cases like these¹⁸¹ and for this reason, descriptions should always be accompanied by drawings as an assisting mechanism, not a distracting one.¹⁸²

As seen from a discussion of our law, South African courts also rely on the detail of definitive statements accompanying design registrations but do so to establish what special features are being claimed and what disclaimers have been entered. Likewise, this should be done in conjunction with an analysis of the accompanying drawings.

4.9 Conclusion

Consequently, the protection afforded by a registered design is limited to the specific appearance of an article, or by the specified features of the article, and is further limited by the scope of the class in which the design is registered.¹⁸³ Design patents afforded in the USA are also so restricted to the novelty of new, original and ornamental designs.¹⁸⁴

¹⁷⁹ (note 176) par 1302.

¹⁸⁰ Ray (note 175) 9.

¹⁸¹ Ibid 10.

¹⁸² Ibid 11.

¹⁸³ Burrells (note 119) 9.3.

¹⁸⁴ Witzburg (note 10) 1134.

Nevertheless, there is in fact adequate design law protection afforded to South African fashion designers, balanced out by necessary limitations so as to not afford designers an absolute monopoly of rights within the design arena.

The limitations of registered design applications are essential, more so to avoid overlap with other forms of IP such as copyright law, patent law and even trade mark law in certain instances. Where, for example, the industrial process requirement prevents registered design protection from being sought for a once-off design, perhaps trade mark law will provide an avenue for protection.

It can also be seen from the above that the current design law regime in South Africa as compared with design patent protection afforded in the USA, serves its intended purpose. Where it appears to fall short, other relevant forms of IP will most likely fill in the gaps.

5. THE ROLE OF TRADE MARK LAW IN THE FASHION INDUSTRY

5.1 Introduction

The law of trade marks is highly relevant to the fashion industry and assists the fashion designer where it is difficult for copyright and design law to do so. This will also be seen through a comparative analysis of trade mark protection afforded in the USA, which, as previously mentioned, extends to trade dress protection.¹⁸⁵

Where design registration seeks to protect the appearance of the article,¹⁸⁶ it does not link the appearance of the article with the underlying goodwill associated with the supplier of the article like trade marks do.¹⁸⁷ Distinctive fashion trade marks such as GUCCI™, and CHANEL™, for example, may relate to similar types of goods, but each mark carries its own indefinite sense of reputation and goodwill, acquired through use, over a period of time.

The Trade Marks Act¹⁸⁸ describes a trade mark as “a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kinds of goods or services connected in the course of trade with any other person.”¹⁸⁹ Where this definition is met, a trade mark will be considered ‘registrable’¹⁹⁰ in terms of Section 9 of the Trade Marks Act.

A mark can further be described as “any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods, or any combination of the aforesaid.”¹⁹¹

Where issues arise, Sections 34 and 35 of the Trade Marks Act must be considered. These sections primarily deal with trade mark infringement.

¹⁸⁵ Ibid 1132.

¹⁸⁶ T Little, J Wild ‘Designs: A global guide’ (2014) 104.

¹⁸⁷ Dean & Dyer (note 17) 298.

¹⁸⁸ Trade Marks Act 1994 of 1993.

¹⁸⁹ Ibid Section 2.

¹⁹⁰ Ibid Section 9.

¹⁹¹ Section 2 (note 188).

Acts of infringement, application of statute and case law, as well alternative solutions relevant to the trade mark registration process and enforcement of trade mark rights, will be discussed under the relevant headings below.

5.2 Unregistrable Trade Marks

Whereas Section 9 of the Trade Marks Act deals with 'registrable marks', Section 10 of the Trade Marks Act provides instances where trade marks are 'unregistrable'.¹⁹²

The most common reason for a mark being 'unregistrable' is that it is too descriptive of the goods/services it is used for or proposed to be used for. A fashion designer would therefore not be allowed to register the mark 'DENIM' as a brand name for jeans, or any other mark that describes the "kind or quality, quantity, intended purpose, value, geographical origin or other characteristics of their goods or rendering of services."¹⁹³

Further, and in line with Section 9, a mark is 'unregistrable' where it is not capable of distinguishing¹⁹⁴ or where it is confusingly similar to other marks.¹⁹⁵

In the case of *Bata Ltd v Fashions CC and Another*,¹⁹⁶ Bata owned the registered trade mark POWER in class 25, (related to clothing and footwear) and sought to prevent the use of POWER HOUSE (accompanied by a distinctive dog device/logo) in the same class.¹⁹⁷

Bata's argument was based on Sections 34(1)(a) and (c) of the Trade Marks Act, in that POWER HOUSE was identical to their mark and would lead to confusion.¹⁹⁸

It was consequently held that the word 'POWER' was an ordinary/common word and therefore not distinctive enough. It would go against the intention of the legislature if a trade mark owner enjoyed exclusive rights in the word 'POWER' in respect of all fashion items.¹⁹⁹ POWER HOUSE proved distinctive enough and Bata failed to

¹⁹² Ibid Section 10.

¹⁹³ Ibid Section 10(2)(b).

¹⁹⁴ Ibid Section 10(2)(a).

¹⁹⁵ Ibid Section 10(14).

¹⁹⁶ (1) SA 884 (SCA).

¹⁹⁷ Ibid par 3.

¹⁹⁸ Ibid par 5.

¹⁹⁹ Ibid par 14.

establish that the trade marks closely resembled each other to the extent that it was likely to deceive or confuse the consumer.²⁰⁰

Section 10, subsections (3), (4) and (7) are also relevant to 'unregistrable' marks in the fashion industry and will be discussed under *5.4 Owner of a Trade Mark and the Possibility of Adopting International Marks*.

5.3 Unregistered Trade Marks Worthy of Protection

Section 35 of the Trade Marks Act deals with 'well-known' marks under the Paris Convention and protects the use of these marks (or marks similar thereto) in respect of the relevant goods or services.²⁰¹

Where a mark is 'well-known', it need not be registered in South Africa to prevent its use.²⁰² Instead, the mark must be protected by the Convention itself and any wrongful use of the 'well-known' mark must be likely to cause deception or confusion.²⁰³

In determining whether a mark is 'well-known', the test established in the case of *McDonald's Corporation v. Joburgers Drive-Inn Restaurant (Pty) Ltd and Another SCA*²⁰⁴ requires the mark to be known to persons who are interested in the goods to which the mark relates²⁰⁵ and further requires that a sufficient amount of people know the mark well, to entitle it to protection.²⁰⁶

Where, for example, international trade marks have been adopted in South Africa, it would be important to understand when these marks are considered 'well-known' and whether such adoption should be allowed.

²⁰⁰ Ibid par 12.

²⁰¹ Section 35 (note 188).

²⁰² Ibid Section 35(1)(b).

²⁰³ Ibid Section 35(3).

²⁰⁴ 1997 (1) SA 1 (A).

²⁰⁵ Ibid par 37.

²⁰⁶ Ibid.

5.4 Owner of a Trade Mark and the Possibility of Adopting International Marks

In respect of who may register a trade mark, it may be any trade mark owner who is using or intends to use the trade mark in South Africa. It is not required that the trade mark owner be a South African citizen.²⁰⁷

However, a party that does not possess a *bona fide* claim to the ownership of a trade mark may not register it.²⁰⁸ Further, a mark cannot be registered where the applicant for registration has no *bona fide* intention of using it as a trade mark²⁰⁹ or where a trade mark application for registration was made *mala fide*.²¹⁰

If any trade mark was applied for in accordance with the above, it is possible to have the trade mark registration cancelled as it would fall under Section 10 of the Trade Marks Act.²¹¹

It is therefore important to establish who the rightful owner of a trade mark is, especially in instances where international trade marks have been adopted in South Africa.

The law as applied in the case of *Victoria's Secret Inc. v Edgars Stores Ltd*²¹² has significant bearing on the way in which recent, similar cases have been decided. This is so even though Section 35 of the Trade Marks Act was not in force at the time the case was decided.

The VICTORIA'S SECRET trade mark in class 25 was filed by Edgars on 7 February 1986 (hereafter referred to as the 'crucial date') upon discovering that there had been no use of the mark in South Africa.²¹³

²⁰⁷ CIPC 'Who may register a trade mark' available at <http://www.cipc.co.za/index.php/faqs/trade/> accessed on 8 August 2018.

²⁰⁸ Section 10(3) (note 188).

²⁰⁹ Ibid Section 10(4).

²¹⁰ Ibid Section 10(7).

²¹¹ G Scott 'Trade mark ownership: Morality and territoriality' (2014) available at <https://www.ensafrica.com/news/trade-mark-ownership-morality-and-territoriality?Id=1431&STitle=IP%20ENSight> accessed on 8 August 2018.

²¹² (428/92) [1994] ZASCA 43.

²¹³ Ibid 27.

By this stage, the respondent, Victoria's Secret Inc., had established over 300 stores in the USA, their VICTORIA'S SECRET brand expanding into cosmetics and high fashion intimate apparel.²¹⁴

The issue of proprietorship came to light when the respondent filed their trade mark applications for VICTORIA'S SECRET in South Africa in 1988, one of which fell in class 25.²¹⁵ They soon found that Edgars had been using the VICTORIA'S SECRET trade mark and alleged that the mark was deliberately and intentionally adopted by Edgars to appropriate and trade upon the goodwill and reputation of their company, concluding that Edgars were not entitled to claim proprietorship.²¹⁶

Edgars then submitted that on the 'crucial date', the respondent did not use the trade mark in South Africa, had established no reputation in respect of the trade mark and had no pending trade mark applications in South Africa. There was also no reason to believe that the respondent had any intention to use the mark in South Africa prior to learning that the VICTORIA'S SECRET trade marks filed by Edgars, had been advertised in the South African Patent Journal of June 1987.²¹⁷

The respondent argued that their use of the mark was in fact made before the 'crucial date', through published catalogues and international fashion magazines, that it was always their intention to sell their goods worldwide, including in South Africa and that their goods were always known by foreigners, including South Africans, who visited their stores in the USA.²¹⁸

Attention must be paid to the way in which the law was applied.

It was determined that a 'proprietor' is a person/company that has appropriated a mark for use in relation to certain goods/services and has so used it or possesses the intention to use it.²¹⁹ Where the proprietor is in issue, and where the mark in question has not yet been used, the intention to use the mark must be definite even though the

²¹⁴ Ibid 32.

²¹⁵ Ibid 45.

²¹⁶ Ibid 37.

²¹⁷ Ibid 32.

²¹⁸ Ibid 35.

²¹⁹ Ibid 9.

use will only take place in future. The intention to use the mark must be in respect of the immediate future and cannot be a mere possibility.²²⁰

An additional important aspect of this case relates to the 'territorial nature' of trade marks. It was stated that even though it is frowned upon to make use of another persons' trade mark for your own gain, copying another person's ideas, devices or trade mark is not illegitimate *per se*.²²¹ Where inspiration is drawn from a rival and some extent of copying of the general get-up of a product/brand is involved, it would be allowed without consequence, provided that it is made clear to the public that the goods being sold are not the goods of the rival manufacturer.²²² It is important in this instance, that the ordinary purchaser of the goods is not deceived.²²³

Further, where there is copying of a foreign mark in South Africa, there is no legal bar preventing a person from applying for the trade mark here, provided that it is not attended by 'something more' i.e. dishonesty, breach of confidence, and the like.²²⁴ The use of a trade mark in foreign markets will therefore be irrelevant unless it can be shown that goods marked with the foreign mark have been imported into the country without authorisation, which was not the case here.²²⁵

Despite the unavailability of protection afforded in terms of Section 35 of the Trade Marks Act at the time, the court still considered the idea of 'well-known' marks. However, they held that no matter how 'well-known' the VICTORIA'S SECRET mark was in the USA, there was no sufficient evidence as to how 'well-known' it was in South Africa.²²⁶

The issue of fact was therefore whether Edgars or the respondent had used or proposed to use the trade mark in South Africa, and whether the use of the trade mark by Edgars would likely deceive or cause confusion to the ordinary purchaser.²²⁷

²²⁰ Ibid 11.

²²¹ Ibid 15.

²²² Ibid.

²²³ Ibid.

²²⁴ (note 212) 16.

²²⁵ Section 34(c) (note 188).

²²⁶ (note 212) 24.

²²⁷ Ibid.

As a general rule in South African IP law, the application prior in point of time should prevail and be entitled to proceed to registration.²²⁸ Even though Edgars had not begun using the trade mark at that stage, they had a clear intention to make use of the mark in the immediate future, in connection with the relevant goods.

The respondent failed to prove actual use of the mark in South Africa before the crucial date which is what they would have needed to do to succeed in their allegation of Edgars' use of the marks causing deception/confusion.²²⁹ Edgars was therefore the rightful proprietor of the VICTORIA'S SECRET trade marks in South Africa.

Interestingly enough, upon conducting relevant trade mark searches, it appears that the VICTORIA'S SECRET marks are now registered in the name of Victoria's Secret Stores Brand Management Inc. in the USA, most likely by virtue of an agreement or trade mark assignment.²³⁰

However, the stance on the 'territoriality' of trade marks remain. This can be seen in cases such as *AM Moolla Group Ltd and Others v Gap Inc and Others*²³¹ and *New Balance Athletic Shoe Inc. v Dajee NO*²³² which followed the judgement of the *Victoria's Secret*²³³ case and allowed for the registration of international trade marks (GAP and PF respectively) to be registered in the name of different proprietors.

The *Gap*²³⁴ case also reinforced the 'territoriality' principle by referring to Article 6(3) of the Paris Convention which states that "a mark exists only under the laws of each sovereign nation."²³⁵ Further, the case highlighted the position followed by the USA in terms of the Lanham Act²³⁶, that actions seeking to enforce trade mark rights that exist only under foreign law, will not be entertained.²³⁷

²²⁸ (note 212) 38.

²²⁹ Ibid 51.

²³⁰ Section 39 (note 188).

²³¹ (123/2004) [2005] ZASCA 72.

²³² (251/11) [2012] ZASCA 3.

²³³ (note 212).

²³⁴ (note 231).

²³⁵ Ibid par 10.

²³⁶ Also known as the Trademark Act of 1964.

²³⁷ *Person's Co. Ltd v Christman*, 900 F.2d 1565 1568-69 (Fed. Cir. 1990).

The *Victoria's Secret*²³⁸ case also had a major influence on the SCA in the September 2018 case of *Truworths Ltd v Primark Holdings*.²³⁹

Truworths had applied for the removal of PRIMARK (in the name of international company, Primark Holdings) in class 25 by relying on Sections 27(1)(a) and (b) of the Trade Marks Act, stating that Primark neither had a *bona fide* intention to use PRIMARK in South Africa, nor was there any actual *bona fide* use of the mark for the legislative period provided for in the Act.²⁴⁰

What appeared to be true was that despite the registered mark being filed in 1976, Primark Holdings had not established a store in South Africa to date. Instead, they relied on protection afforded to them through the Paris Convention, stating that their mark was 'well-known' in South Africa and could not be expunged as a result.²⁴¹

In consideration of Section 35 of the Trade Marks Act and the test as set out in the *McDonalds*²⁴² case, different approaches were taken by the two parties in determining the relevant sector to which a mark was to be 'well-known'.²⁴³

Primark took a narrow approach stating that their mark had to be well-known to the South African public who were interested in and active in the fashion-retail industry while Truworths took a wide approach and stated that the mark would have to be 'well-known' to "all South Africans interested in clothes and accessories."²⁴⁴

It was held that when dealing with a trade mark that relates to fashionable but relatively inexpensive clothing that is sold to a large range of consumers, a trade mark will have to be known by those potential customers, being the middle to lower income groups in this instance.²⁴⁵

Consequently, Primark failed to establish an adequate degree of knowledge that the mark was 'well-known'²⁴⁶ and further failed to prove their intention to use the trade

²³⁸ (note 212).

²³⁹ (989/2017) [2018] ZASCA 108.

²⁴⁰ Ibid par 2.

²⁴¹ Ibid par 1.

²⁴² (note 204).

²⁴³ (note 239) par 8.

²⁴⁴ Ibid.

²⁴⁵ (note 239) par 9.

²⁴⁶ Ibid par 32.

mark in South Africa.²⁴⁷ Their mark was therefore expunged but this is not to say that any application made by Truworths in respect of the PRIMARK trade mark, in any class of interest to them, will be successful.²⁴⁸

What is interesting about this case is that Truworths never stated why they wanted to adopt the PRIMARK trade mark, only that they wished to use it for goods in class 25. It is however clear that Truworths, having been involved in the international retail space, was definitely aware of the PRIMARK trade mark overseas, with a view that the mark was not used here in South Africa.²⁴⁹

It was an important discussion point as to whether Truworths aimed to register the mark to prevent Primark entering the South African market because, as reiterated in the *New Balance*²⁵⁰ case, a trade mark must be registered to be used and not to prevent others from using it.²⁵¹

In his concurring judgement of *Truworths v Primark*²⁵², Willis JA confirmed the principle in the *Victoria's Secret*²⁵³ case stating that where Truworths intends to be a copycat imitator of the PRIMARK brand, it will still be allowed in law so long as there is the absence of 'something more'.²⁵⁴

It is understood that the aim of protecting and preserving trade marks is to uphold the rights of the proprietor and prevent appropriation or dilution of the mark by another user.²⁵⁵ Where this is not the case, there can be no trade mark infringement. It is then unclear why the High Court exercised its discretion in favour of Primark when the whole point of expungement is to disallow a proprietor rights/statutory monopoly in respect of a trade mark when it does not make use of the mark for purposes of which the mark was granted.²⁵⁶

²⁴⁷ Ibid par 63.

²⁴⁸ Ibid par 65.

²⁴⁹ Ibid par 22.

²⁵⁰ (note 232).

²⁵¹ Ibid par 10.

²⁵² (note 239).

²⁵³ (note 212).

²⁵⁴ Ibid 16.

²⁵⁵ (note 239) par 57.

²⁵⁶ Ibid par 66.

An alternate viable remedy available to international trade mark owners with no registered marks in South Africa can be found in the Advertising Standards Authority of South Africa (ASA). In respect of the ASA, an advertiser is prohibited from copying or imitating an existing advertisement, wholly or in part, local or international, if the copying takes place in a way that resembles the original concept, detracting from the initial advertising value, whether or not there is a likelihood of deception or confusion.²⁵⁷

This may have been able to offer Victoria's Secret Inc. some recourse considering that at the time of the *Victoria's Secret*²⁵⁸ case, they did not make use of their trade marks or establish reputation in South Africa and were therefore unable to rely on trade mark infringement or passing off.²⁵⁹

However, despite the ASA being an option of recourse to the international trade mark owner, the concept of 'territoriality' is likely to stick around for some time to come. The safest, most reliable way to enforce trade mark rights in South Africa is to ensure that a trade mark application for registration is filed for the purpose of using the trade mark in respect of the particular goods/services for which it is so filed.²⁶⁰

5.5 Trade Mark Searches and the Importance of the Classification of Goods/Services

In taking a practical approach to the trade mark registration process, before filing a trade mark application, it is best to conduct a CIPC and common law trade mark search in the relevant classes, to ensure that the proposed mark is not confusingly similar to any of the existing trade marks in use, belonging to other proprietors, either on the South African Trade Marks Register or trade marks which have been in use for a long period of time.²⁶¹

²⁵⁷ Clause 9.1 of the Advertising Standards Authority of South Africa.

²⁵⁸ (note 212).

²⁵⁹ Ibid 32.

²⁶⁰ (note 239) par 8.

²⁶¹ N Msimang 'Trade mark registration process: Conducting a clearance search' available at <http://www.themallbusinesssite.co.za/2016/07/13/trade-mark-registration-process-conducting-a-clearance-search/> accessed on 8 August 2018.

In determining the correct goods/services, South Africa makes use of the Nice Classification,²⁶² the most recently published being the 11th edition.²⁶³

As can be seen from previously discussed case law, a fashion designer wishing to file a trade mark application would most likely use class 25, for 'clothing, footwear and headgear'.²⁶⁴

It may also be important to consider related classes such as class 3 (refers to perfumery and the like), class 9 (includes safety shoes), class 24 (which covers textile goods) and class 26 (which covers ribbons, lace, braid etc.).²⁶⁵ A fashion designer could also possibly file an application in class 35, in respect of advertising, business and office functions, perhaps for the use of their brand name as a trading style.²⁶⁶

It should not be assumed that where the same or similar trade marks are applied for by different applicants in different classes, that there can be no likelihood of deception or confusion to the purchaser of the goods, or cause them to associate the earlier and later marks with the same proprietor.

In *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd and Another*²⁶⁷, the court had to decide whether the use of the same mark in respect of different goods would lead to confusion. They considered "the nature and composition of the goods, their respective use and the trade channels through which the goods can notionally be retailed."²⁶⁸ It was held that the use of the same trade mark, 'FRENCH CONNECTION', one relating to clothing and the other to cosmetics, filed by different applicants, could lead to confusion.²⁶⁹

In *Chantelle v Designer Group (Pty) Ltd*,²⁷⁰ the appellant owned the mark CHANTELLE in class 25 for different types of underclothing.

²⁶² Section 11 (note 188).

²⁶³ Nice Classification 11th ed. available at <https://www.wipo.int/classifications/nice/en/> accessed on 12 June 2018.

²⁶⁴ Ibid class 25.

²⁶⁵ Dean & Dyer (note 17) 83.

²⁶⁶ Nice Classification (note 263) class 35.

²⁶⁷ 1991 (4) SA 850.

²⁶⁸ Ibid par 23.

²⁶⁹ Ibid par 25.

²⁷⁰ A743/2013 [24 April 2015]

It was held that despite being registered in class 3, the respondents' CHANTELLE mark was likely to deceive or cause confusion, as per the test set out in *Danco Clothing*, and should not have been granted in the first place.²⁷¹

Courts apply a very narrow approach to the interpretation of the rights granted in respect of goods for which a trade mark is registered and are at liberty to restrict the goods/services in a particular class should the need arise.²⁷² The utmost care must therefore be taken by fashion designers and legal practitioners when drafting a specification of goods, with attention being paid to related classes.

5.6 Choosing the Correct Trade Mark Type for Filing

Most commonly, a fashion designer would file an application for their mark in word form (block capital), special form, device/logo form or even as a combined special form and device mark.²⁷³

An application of a trade mark in word form, e.g. GUESS, offers the widest form of protection to the applicant once registered. It enables the proprietor to make minor changes to the mark during the lifetime of the mark without necessitating a new registration.

Where certain words/parts of a trade mark may appear common in trade, it is still possible for the application to be successful where an endorsement is entered against the mark.²⁷⁴ For example, the VICTORIA'S SECRET trade mark in block capital form consists of a disclaimer requirement in which the proprietor agrees that the use of the word "SECRET" in the ordinary course of trade by other persons, cannot be prevented.²⁷⁵

Fashion designers should therefore keep in mind that filing applications for invented words with no particular meaning, in any language, are generally considered to be

²⁷¹ Ibid par 77.

²⁷² Section 13 (note 188).

²⁷³ Ibid Section 2.

²⁷⁴ Ibid Section 15.

²⁷⁵ SA Registered Trade Mark no. 1986/00772 available at <https://iponline.cipc.co.za/Trademarks/Search/FreeTMSearch.aspx> accessed on 5 May 2018.

inherently distinctive and serves as a viable option when thinking about establishing a distinctive brand.²⁷⁶

Like South African trade mark law, a fashion designer in the USA would usually register distinctive word and logo marks to act as a 'badge of origin', allowing consumers to recognise the brand and associate it with the fashion item.²⁷⁷

USA trade mark law also allows for trade marks to be incorporated into the design itself. The issue with this is that where the design becomes popular, no legal consequences ensue for those who copy the entire design, as protection is only afforded to the actual logo and not the design itself.²⁷⁸ This makes it difficult to prove that the original creator is the source of the design.

Perhaps design protection in South African law prevents this issue from arising, as opposed to the gap that presents itself in USA trade mark law.²⁷⁹

5.6.1 Trade mark of a name

Designers who wish to file trade mark applications for their distinctive names would also be able to do so in any of the above-mentioned forms.

This will not be the case where names and surnames are common, as in the USA, where surnames, for example, may only be registered if it has acquired a secondary meaning and consumers relate that particular surname to the origin of certain goods/services.²⁸⁰

Where a surname is denied full trade mark protection in the USA, it is still possible for a designer to apply for the mark to be registered on the 'Supplemental Register' where they enjoy limited rights. Once it can be proven that the surname has been commercially used for at least five consecutive years,

²⁷⁶ *Plascon-Evans Paint Ltd v Van Riebeck Paints (Pty) Ltd* 1984 3 SA 623 (A) par 61.

²⁷⁷ Witzburg (note 10) 1133.

²⁷⁸ Ibid.

²⁷⁹ Ibid.

²⁸⁰ M Asbell, G Sciarrino 'The designer formerly known as: intellectual property issues arising from personal names as fashion brands' (2017) 1153.

the designer can claim distinctiveness and file a new application for their surname on the 'Principle Register'.²⁸¹

Despite only having a single South African Trade Marks Register, which makes it more difficult to file a mark once it has been rejected, fashion designers, as stated in the case of *Brian Boswell Circus (Pty) Ltd. and Another v Boswell Wilkie Circus (Pty) Ltd*²⁸² are still entitled to use and enjoy their own name in the conducting of business and sale of goods.²⁸³ This is obviously so where the requirements of a trade mark have been met.

Before a designer decides to use their personal name in respect of their brand, they should be aware of the risk involved.²⁸⁴

In *Jenni Button v Jenni Button (Pty) Limited*,²⁸⁵ a written sale agreement was concluded by the well-known South African fashion designer herself, allowing for the transfer of rights and goodwill in relation to and in association with the JENNI BUTTON brand, to the company Jenni Button (Pty) Ltd.²⁸⁶

When Jenni Button established a new store, Philosophy, and continued to make use of her name in relation thereto, she was reminded of the implications of the above agreement. Jenni Button raised the 'own name defence' in terms of Section 34(2)(a) of the Trade Marks Act, arguing that she was entitled to the use of her own name in connection with her business.²⁸⁷

It was decided, in light of the agreement, that the use of her name associated with the PHILOSOPHY brand, would in fact result in 'passing off'.²⁸⁸

Jenni Button could therefore not rely on Section 34 of the Act as she was not the proprietor of the registered mark.²⁸⁹ She was restricted from using her name in a trade mark sense relating to any fashion-related business conducted in South

²⁸¹ Ibid 1154.

²⁸² (82/85) [1985] ZASCA 64.

²⁸³ T Conley 'Make protecting your name a priority' (2013) 27.

²⁸⁴ Asbell (note 280280) 1150.

²⁸⁵ 2008 BIP 242 (C).

²⁸⁶ Conley (note 283) 26.

²⁸⁷ Ibid.

²⁸⁸ Ibid.

²⁸⁹ Section 34(2)(a) (note 188).

Africa.²⁹⁰ She was however entitled to use JENNI BUTTON in her domain name in respect of her business conducted internationally, outside of the country.

USA case law has also seen its fair share of disputes over personal names, one of which involved well-known designer, Karen Millen.²⁹¹

Karen Millen entered into a purchase agreement in terms of which she sold her company and the rights to use her name in respect of future commercial ventures.²⁹² In litigation that surrounded the issue, not only was Karen Millen prevented from using her name or the name KAREN in association with a new business, she was also ordered to agree to the use of new KAREN MILLEN trade marks filed by the company.²⁹³

Consequently, the brand which a fashion designer establishes is an important asset that may be used or sold²⁹⁴ and licensing and registration of a trade mark in relation to the designers' brand is just as important. This allows the fashion designer to retain ownership and benefit from the rights of the registered mark, whilst profiting from the royalties paid in the event that the trade mark is used by third parties.²⁹⁵

Legal practitioners assisting fashion designers should take care to ensure that license agreements required for these matters be stated in writing, as written agreements will always serve as preferred evidence in terms of what the parties in dispute actually agreed upon.²⁹⁶

5.6.2 General alternatives to block capital applications

Although narrower protection is afforded for special form/device type marks in cases of infringement, they are still highly relevant to fashion designers seeking

²⁹⁰ Ibid.

²⁹¹ *Millen v. Karen Millen Fashions Ltd. & Anor*, EWHC 2104 (Ch) (2016).

²⁹² Asbell (note 280) 1158.

²⁹³ Ibid.

²⁹⁴ Conley (note 283) 27.

²⁹⁵ Ibid.

²⁹⁶ Ibid.

protection for their brand. It is usually best to file these additional applications in association with a block capital registration, where possible.²⁹⁷

Using the special form and device mark of GUESS as an example, in conjunction with the block capital registration in class 25, no one would be able to make use of a brand name for clothing (and related goods) called GUESS, (GUESS WHO? or GUESS WHAT?) or make use of a trade mark in respect of similar goods that bear any resemblance to an upside-down triangle featuring a question mark.

The 'distinctive' element of a trade mark therefore prevents others from benefitting off the brand of another. However, in certain instances, limitations will be placed on the extent of protection afforded to devices, irrespective of how distinctive they may be.

In *La Chemise Lacoste v Rong Tai Trading CC*²⁹⁸ the plaintiff was the registered proprietor of the LACOSTE (block capital, and CROCODILE device/logo) trade mark registrations in South Africa.²⁹⁹

One of the main issues in this case was whether the word CROCODILE, used by the defendant on the goods they imported for sale in South Africa, amounted to trade mark infringement.³⁰⁰

The court had to decide whether the plaintiff's device mark was known/perceived by the 'interested public' as a 'crocodile' and if so, whether the use of the word mark CROCODILE by the defendant, amounted to infringement.³⁰¹

The plaintiff argued that the word CROCODILE was 'conceptually similar' to the LACOSTE brand.³⁰² In response to this, it was held that even though 'conceptual confusion' may pose as a bar to registration³⁰³, it would not be fair to afford

²⁹⁷ Section 2 (note 188).

²⁹⁸ (36037/2003) [2007] ZAGPHC 27 (13 April 2007).

²⁹⁹ Ibid par 1.

³⁰⁰ Ibid par 8.

³⁰¹ Ibid par 14.

³⁰² Ibid par 72.

³⁰³ Ibid par 78.

Lacoste a monopoly of rights for the use of the reptile (which is a crocodile) in respect of all the classes the marks were registered for.³⁰⁴

Further to the above, it was held that those who buy LACOSTE products were not looking to buy products with the word 'crocodile' on it³⁰⁵ and having visually compared the two marks, the court found that the word CROCODILE showed no likelihood of deception or confusion.³⁰⁶

5.7 Relevant Non-Traditional Trade Mark Applications

There are also non-traditional marks which may be 'registrable' in limited instances in the South African fashion industry.³⁰⁷ However, as will be seen through case law, these types of trade marks are usually difficult to register and/or uphold.

5.7.1 Shape marks

In order to be successfully 'registrable', shape marks, like any other, must serve as a 'badge of origin' and comply with the requirements of Section 9 of the Trade Marks Act. However, these steps are easier to satisfy when filing distinctive word marks or logos.³⁰⁸

Shape marks like that of the distinctive 'Coca-Cola' bottle may have managed to qualify for trade mark registration, but on the contrary, filing shape marks in respect of fashion items by meeting the above-mentioned requirements and not overstepping into design law territory, may prove much more difficult.³⁰⁹

As previously mentioned, the Trade Marks Act prevents shape marks from being registered where such shape has been used to obtain a specific technical result, or where the shape of the item results from the nature of the item itself.³¹⁰

³⁰⁴ Ibid par 75.

³⁰⁵ Ibid par 74.

³⁰⁶ Ibid par 73.

³⁰⁷ Section 2 (note 188).

³⁰⁸ S Hobson-Jones, S Karjiker 'Is South African trademark law out of shape? A comparative analysis of shape marks, in light of the recent SCA and CJEU Kit Kat decisions' (2016) 578.

³⁰⁹ Ibid 576.

³¹⁰ Section 10(5) (note 188).

This section was the main consideration in the South African case of *Societe Des Produits SA v International Foodstuffs*³¹¹ which dealt with the shape of the four-finger Kit-Kat wafer bar, and whether it should remain on the trade marks register.

It was established that the shape of the Kit-Kat wafer bars could be identified by South African consumers in a way that associated the shape of the chocolate with the Nestle, Kit-Kat brand and further that the shape existed independently from achieving a technical result.³¹²

Consequently, the opposition party was guilty of trade mark infringement in respect of their four-finger 'Break' chocolate bar.³¹³

The obvious issue with shape marks, and one of the reasons why the above decision has been criticised, is that a trade mark owner would have eternal and exclusive protection over the shape of particular goods, with 'anti-competitive' implications.³¹⁴ The registration of a shape mark should therefore only be allowed in instances where such shape fulfils the role of a trade mark.

In light of the above, shape marks for actual fashion items will not be registrable in a hurry.

5.7.2 Colour

South African trade mark law allows for a trade mark to be "limited in whole or in part to a particular colour or colours"³¹⁵ and where a trade mark is registered without such limitation, it shall be deemed to be registered for all colours.³¹⁶

However, no trade mark owner should enjoy a monopoly of rights in respect of a colour unless it is so strongly associated with the identity and commercial origin of a particular brand.³¹⁷

Therefore, in order to register a colour as a trade mark, it must be 'non-functional', 'non-ornamental' and must not deprive competitors of a reasonable

³¹¹ 2014 (1) SA 492 (SCA).

³¹² Ibid par 32.

³¹³ Ibid par 53.

³¹⁴ Hobson-Jones (note 308) 576.

³¹⁵ Section 32(1) (note 188).

³¹⁶ Ibid 32(2).

³¹⁷ *Societe des Produits Nestle S.A. v Cadbury UK Limited* [2012] EWHC 2637 (Ch) (01 October 2012) par 21.

right to use the particular colour.³¹⁸ Further, it must have acquired a ‘secondary meaning’ as the facts show in the cases to follow.³¹⁹

*In re Owens-Corning Fibre Glass Corp*³²⁰, the colour pink for fibre glass was considered as ‘ornamentation’. Due to the finding that the colour did not result from the manufacturing process and was applied to the fibre glass as an additional step, it was held to serve a ‘distinguishing’ function and not a technical one.³²¹

In *Societe des Produits Nestle S.A. v Cadbury UK Limited*³²², Cadbury applied to register the colour purple as a trade mark for its chocolate packaging.

Since Cadbury applied for the use of purple as a predominate colour on their goods which indicated a specific use of the mark,³²³ they were permitted to register a trade mark for the colour purple as this was a ‘sign’, capable of being ‘graphically represented’, and distinguished Cadbury from other chocolates.³²⁴

From the above cases, it must be noted that in any particular field, including the fashion sector, there is a limited number of colours available for use.³²⁵ If a colour is allowed to be registered as a trade mark, then there would be a limitation placed on that particular industry.

In the USA case of *Christian Louboutin S.A. v Yves Saint Laurent AM. Holding, Inc.*³²⁶, Louboutin sought to enforce the product design protection of their ‘Red Sole Mark’.³²⁷ Part of the protection claimed was for the “red lacquered outsole on footwear that contrasts with the colour of the adjoining (“upper”) portion of the shoe.”³²⁸

³¹⁸ Dean & Dyer (note 17) 110.

³¹⁹ Ibid.

³²⁰ 774 F.2d 1116 (Fed. Cir. 1985).

³²¹ Dean & Dyer (note 17) 110.

³²² (note 317).

³²³ (note 317) par 52.

³²⁴ (note 317) par 63.

³²⁵ Dean & Dyer (note 17) 110.

³²⁶ No. 11-3303 (2d Cir. 2013).

³²⁷ Ibid 212.

³²⁸ Ibid 227.

When YSL released their entirely-red shoes, Louboutin stated that the use of a similar shade of red by YSL was confusingly similar to their 'Red Sole Mark', thus amounting to trade mark infringement.³²⁹

YSL, in turn, attempted to cancel the registration of the "Red Sole Mark" based on the view that it was not distinctive enough to warrant trade mark protection.³³⁰

Initially Louboutin was unsuccessful when the court a quo stated that colour alone can only be protected as a trade mark when it has acquired a 'secondary meaning' and not when it is purely functional.³³¹

However, the Second Circuit Court of Appeals came to the decision that the 'Red Sole Mark' had in fact acquired a 'secondary meaning' but that its use should be limited in the sense that the remainder of the shoe would have to contrast with the red sole.³³²

This brings light to the importance of protecting distinctive features of fashion items, even in instances where the fashion designer may think their application will be unsuccessful. Despite the above limitation placed on the trade mark, it is clear that if Louboutin hadn't taken the leap to protect their 'Red Sole Mark' and thereafter enforce their rights, it would be easier for other fashion houses to trade upon their goodwill and reputation by blatantly copying.

5.7.3 Ornamentation, patterns and decorative stitching

Decorative stitching, patterns and ornamentation are also potentially 'registrable' trade marks in limited instances.³³³

If an example of pocket stitching is used, it can be considered a common form of ornamentation found on jeans. However, stitching could possibly be considered as a distinctive trade mark where such stitching serves as a source identifier.³³⁴

³²⁹ *Christian Louboutin S.A. v. Yves St. Laurent Am. Holding, Inc.*, 778 F. Supp. 2d 445, 449 (S.D.N.Y. 2011).

³³⁰ *Ibid.*

³³¹ *Christian Louboutin S.A. v. Yves St. Laurent Am. Holding, Inc.*, 696 F.3d 206, 212 (2d Cir. 2012).

³³² *Ibid.*

³³³ Section 10(1) (note 188).

³³⁴ CIPC 'Trade Mark Exam Guide' (2017) 46.

Levi Strauss's 'Double Accurate' stitch mark, for example, was dubbed "a unique signature of a jeans brand" and was considered as a secondary means to identify the Levi's brand.³³⁵

In *Adidas AG and Another v Pepkor Retail Ltd*³³⁶, proceedings were instituted by Adidas for the infringement of its registered three-stripe trade marks through Pepkor's sale of footwear which strikingly featured 'two and four parallel stripes'.³³⁷

The first question that the court needed to answer was whether Pepkor was using the two and four stripes as trade marks in terms of Section 9 of the Trade Marks Act.³³⁸

Since the stripes were applied to goods for 'embellishment' or 'decoration' (which both fall under the meaning of 'ornamentation') it was held this was done for the purpose of distinguishing the goods'.³³⁹

The court therefore came to the conclusion that Pepkor's use of four stripes on some of their shoes resulted in trade mark infringement.³⁴⁰

5.8 The Absence of Trade Dress Protection in South African Trade Mark Law

Trade dress in the USA protects the overall commercial image or 'look and feel' of a fashion item.³⁴¹ Distinguishing the product from others in the course of trade and identifying the source of the product is still the main aim³⁴² and in order to acquire secondary meaning of trade dress protection elements, fashion designers would need to, over a reasonable amount of time, get consumers to associate the trade dress protected element with the designer.³⁴³

³³⁵ Ibid.

³³⁶ (187/12) (2013) ZASCA 3.

³³⁷ Ibid par 2(a).

³³⁸ (note 336) par 14.

³³⁹ Ibid.

³⁴⁰ (note 336) par 37.

³⁴¹ Witzburg (note 10) 1132.

³⁴² Ibid 1133.

³⁴³ Mills (note 73) par 7.

This fits in with non-traditional type trade marks in South African law, as trade dress protects non-functional and distinctive elements such as size, shape, colour, and texture, being the overall 'look and feel'.³⁴⁴

In the case of *Adidas America Inc. et al v Sketchers USA Inc.*³⁴⁵ Adidas were able to enforce their trade dress protection for their Stan Smith Tennis Shoe by proving it was recognisable to consumers as well as non-functional.³⁴⁶

Like the Stan Smith shoe, the Onix shoe released by Sketchers had a white upper, white sole, green raised moustache-shaped coloured heel patch and only differed in the sense that the Onix shoe had a patch of perforations in place of Adidas's three-stripe perforations.³⁴⁷

In order to establish a trade dress claim, a plaintiff would have to prove the following in terms of the Lanham Act³⁴⁸:

- 1) the trade dress's non-functionality and 'source identifying role' which must be due to inherent distinctiveness or secondary meaning;³⁴⁹
- 2) a likelihood of confusion between the goods/services of the parties involved.³⁵⁰

In this regard, the court held that Adidas's specific descriptions of the Stan Smith shoe in conjunction with the overall impression of the shoe, warranted trade dress protection.³⁵¹

It was further held that the Stan Smith shoe was easily linked to the Adidas brand in the mind of the consumer, thus proving distinctiveness.³⁵²

Further, when the Stan Smith shoe was advertised/promoted, more focus was placed on the iconic style of the shoe and not the utilitarian aspect of it. The court, in looking

³⁴⁴ Witzburg (note 10) 1132.

³⁴⁵ 2017 WL 3319190 Case No. 3:15-cv-01741-HZ.

³⁴⁶ Ray (note 175) 4.

³⁴⁷ Ibid.

³⁴⁸ Section 43(a) (note 236).

³⁴⁹ Mills (note 73) par 6.

³⁵⁰ Ibid.

³⁵¹ Ray (note 175) 4.

³⁵² Ibid.

at the trade dress as a whole, held that non-functionality was established despite the fact that the shoe had previously been used as a tennis shoe.³⁵³

Trade dress protection is heavily relied upon by big fashion houses in the USA, especially due to the lack of copyright protection they are afforded.

However, as much as trade dress serves as a useful tool in the USA fashion industry, a look into South African IP legislation and its applicability in trade mark infringement cases displays that adequate trade mark protection is afforded. These rights are also carefully balanced to avoid affording fashion designers an indefinite monopoly of rights.

5.9 Acceptance, Registration and Maintenance

Trade mark applications, once accepted, must be advertised in the South African Patent Journal³⁵⁴, automatically allowing for a three-month opposition period to run, entitling any affected third party to oppose the registration of the mark where appropriate. Fashion designers should make use of this opportunity where they feel that trade marks accepted by the Trade Marks Office infringe upon their earlier mark/s or are likely to cause deception or confusion amongst consumers. In this way, litigation proceedings can also be avoided at a later stage.

Where no opposition proceedings take place, the Certificate of Registration can be issued. Trade marks once registered, are valid indefinitely subject to the payment of a renewal fee, payable to the Trade Marks Office once every 10 years.³⁵⁵

5.10 Conclusion

Trade marks typically serve as a source of origin and afford the proprietor significant rights over their distinctive and creative brand in respect of particular goods/services, essentially preventing others from trading off the goodwill and reputation of their brand. They are fairly inexpensive to register and maintain yet carry a lot of weight in the fashion industry.

³⁵³ Ibid.

³⁵⁴ Section 17 (note 188).

³⁵⁵ Ibid Section 37.

Unregistered trade marks in South Africa are also afforded protection in some instances. Despite courts shying away from dealing with the 'territorial' aspect of trade marks in cases where international trade marks are adopted in South Africa, Section 35 of the Trade Marks Act, in conjunction with the Paris Convention, serves as a balance by protecting these 'well-known' marks.

The scope of trade mark protection goes beyond words, names and logos but are still limited by endorsements which may have to be entered against their registrations, for example, where their marks consist of common words/aspects required for use in the fashion sector. Further, non-traditional trade marks such as shape, colour and ornamentation are interpreted very strictly, thus limiting the scope of trade mark protection afforded in respect thereof. Nevertheless, protection for these marks will be available where the requirements are undoubtedly met.

Despite the lack of trade dress protection which considers the 'look and feel' of fashion items as a whole, what remains evident is that South African trade mark law offers a substantial amount of protection to fashion designers who seek it. It should not be taken for granted that any rights in their brand can be fully enforced without a registered trade mark in respect of goods for which they use or intend to use their trade mark.

6. SHOULD WE RULE OUT PATENT LAW IN THE FASHION INDUSTRY?

6.1 Introduction

A patent is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something or offers a new technical solution to a problem. Such protection provides the owner with the right to exclude others from making, using, exercising, disposing of the invention, offering to dispose or importing the invention.³⁵⁶

On the surface, patent law does not appear to be a common form of protection considered by fashion designers³⁵⁷ but that does not mean there is no room for it at all.

6.2 Instances where Patent Law is Applicable

One example of where patent law may be applicable is in relation to an inventive process in the manufacture of fashion such as a process for creating a certain wash on denim.³⁵⁸

Other examples relate to patentable items such as industrial tech wear (UV-filtering textiles that are resistant to fire and water-repelling textiles) and 3-D printed garments.

In summary, 3-D printing can be described as a way of manufacture whereby objects are placed in layers, resulting in three-dimensional objects. The source of the object is a digital file containing three-dimensional data extruded by printer which makes use of a variety of materials and techniques.³⁵⁹

Of course, copyright and design law may be afforded in respect of the originality of the 3-D printed work, and the aesthetic appearance of the work where appropriate, but patent law will be applicable in the protection of its technical functionalities.³⁶⁰

³⁵⁶ Companies and Intellectual Property Commission 'Patents' available at <http://www.cipc.co.za/index.php/trade-marks-patents-designs-copyright/patents/> accessed on 12 August 2015.

³⁵⁷ Malem (note 25) 6.

³⁵⁸ Ibid.

³⁵⁹ A Valtas D Sun '3D printing for garments production: An exploratory study' (2016) 2.

³⁶⁰ C Wren 'Fashion in an era of 3D printing': The diffusion of 3D printing technology within the fashion industry' (2017) 18.

There has also recently been a report issued in respect of 'smart textiles', commonly referred to as smart garments, smart clothing, electronic textiles or smart fabrics.³⁶¹ These items are worthy of patent protection due to the innovative method of achieving ends such as providing the wearer with increased functionality by sensing and reacting to environmental conditions.³⁶² This would be useful in instances where the fabric will assist in body temperature regulation, reduce wind resistance and the like.

In the USA, it has previously been mentioned that design patents are a common form of protection sought by fashion designers. In addition to this, a utility patent registration for an item of fashion is also possible. Utility patents serve as the equivalent of a complete patent in our law and can be filed for manufacturing processes and product design where legal requirements are met.³⁶³

6.3 Conclusion

The problem with patent protection in the fashion sector relates to the establishment of 'novelty', the cost involved in the patent process and certain international challenges. This is true for both South Africa and the USA.

Despite this, the advantage of patent protection is that once the cost factor is dealt with, the applicant has rights in their invention both locally and internationally (where national phase patents are filed). This would be essential to a fashion designer with regards to the commercialisation of their invention, which in effect, will be valid for a period of 20 years.

Although patents are not a common form of protection that fashion designers in South Africa seek at present, patent law has become seemingly more applicable as we move forward in the fashion industry and deal with fashion items that are created in light of new technological advances.

In light of the above, adequate patent protection is available and obtaining such protection in appropriate circumstances will definitely be worth it in the long run.

³⁶¹ Relecura 'Smart textiles: IP landscape report' (2017) 1 available at https://relecura.com/wp-content/uploads/2017/11/Smart_Textiles_Relecura_Report_20171123.pdf accessed on 12 June 2018.

³⁶² Ibid.

³⁶³ Witzburg (note 10) 1135.

7. BEHIND THE SEAMS: COMMON PROBLEMS EXPERIENCED IN THE FASHION INDUSTRY AND POSSIBLE SOLUTIONS WITHIN AND OUTSIDE THE SCOPE OF THE EXISTING FRAMEWORK

7.1 Cost vs Practicality

In most cases, obtaining formal IP protection in the fashion industry is advisable. However, there are also reasonable arguments against it.

Both locally and internationally, certain fashion articles are considered to be seasonal in nature and formal IP protection may not be required long-term.³⁶⁴ In this instance, copying of designs and drawing inspiration from design trends for a short period of time may occur, and investing in IP protection may not be worth it.

Fashion designers may also avoid obtaining formal IP protection due to the cost involved of registering and thereafter maintaining it. This is more so with design and patent protection, where annual renewal fees are payable for the lifespan of the design or patent.

Trade marks on the other hand are cheaper to register and maintain.

Despite this, fashion designers may be reluctant to consult with a trade mark attorney regarding the relevant trade mark process due to the initial cost that they may need to bear. However, during a time of alleged IP infringement, fashion designers may end up with more out of pocket expenses, trying to fix a situation that could have possibly been avoided altogether, whether they are being sued or wish to sue for trade mark infringement.

Even in a case where formal IP protection has previously been sought and remains in force, the parties involved may be deterred from enforcing or defending their rights due to IP law enforcement falling under the jurisdiction of the High Court, where legal fees are considerably high. However, IP rights generally places designers in an advantageous position as opposed to them outrightly not having the option to sue for infringement.

³⁶⁴ Kadian-Dodov (note 87) 29.

Litigation proceedings and suing a third party for alleged IP infringement, although admittedly very costly, is not the first port of call. It appears most practical to send 'cease and desist' letters to deter infringing designers from infringing the respective IP rights and thereafter, it is merely a matter of following up to see whether the infringing items are taken off the market. This is how most matters are resolved, unless either party is adamant to insinuate litigation proceedings.

Should the latter occur, it must be decided whether the cost involved to proceed with litigation is worth it in the long run. The designer should think long-term about the commercial strength of their IP and whether they have a strong case against the infringing party.

As seen in case law and examples provided throughout this dissertation, records of the use of IP, even prior to the registration thereof will always play a role, especially with copyright and trade mark law, and designers should make a significant effort to document the use and sales of their IP protected works.

7.2 Counterfeit Goods

7.2.1 The law pertaining to counterfeiting

In accordance with Section 1(a) of the Counterfeit Goods Act³⁶⁵, counterfeiting describes the act of multiplying or duplicating an authentic article³⁶⁶ without any authorisation from the IP right holder, with the intention of passing off the multiplied/duplicated article as a genuine product of the IP right holder.³⁶⁷

Counterfeit goods are therefore not restricted to any particular type of IP but in South Africa, mainly imposes on the rights of trade mark and copyright holders³⁶⁸ where the offender who deals in counterfeit goods exploits a brands' equity for personal gain.³⁶⁹

³⁶⁵ Counterfeit Goods Act 37 of 1997.

³⁶⁶ Ibid Section 1(iv)(a).

³⁶⁷ Ibid Section 1(iv)(b).

³⁶⁸ H Vithlani 'The economic impact of counterfeiting' *OECD* (1998) 5.

³⁶⁹ K Kutu 'Luxury fashion brands: An observation into Johannesburg consumers preferred counterfeit branded products' (2015) 9.

Counterfeiting also applies in a case where, by a notice under Section 15 of the Merchandise Marks Act³⁷⁰, the use of a particular mark in relation to goods has been prohibited, and without the authority of the specified person, goods are made (bearing the marks), or the mark is applied to goods in South Africa or elsewhere.³⁷¹

The TRIPS Agreement also plays a significant role in the counterfeiting arena and commercially criminalises such conduct in all member countries.³⁷²

7.2.2 The extent of counterfeiting in South Africa and the impact thereof

South Africa is a target country for the manufacture and sale of counterfeit goods.³⁷³ Just recently, R10 million worth of fake branded Adidas, Nike and Lacoste clothing and footwear were seized by officials in the Western Cape,³⁷⁴ one of the many occurrences involving counterfeit goods in South Africa.

Consumers who wish to experience the associated popularity that accompanies reputable clothing brands but who cannot afford authentic branded items,³⁷⁵ support the counterfeit market and cause it to expand,³⁷⁶ leaving IP right holders and producers of authentic goods experiencing a 'direct loss in sales'³⁷⁷. Where these consumers appear genuinely satisfied with the cheaper products, the authentic brand is automatically devalued.³⁷⁸ The authentic brand is further devalued by the mere fact that expensive, high fashion items for a particular target market can now be owned by the vast majority due to closely resembled (although poor quality) knock-off versions.³⁷⁹

³⁷⁰ Act No. 17 of 1941.

³⁷¹ (note 365) Section 1(c).

³⁷² Article 61 of the TRIPS Agreement (1995)

³⁷³ Kutu (note 369) 14.

³⁷⁴ IOL News 'R10m worth of fake Nike, Lacoste items seized in Western Cape' available at <https://www.iol.co.za/capeargus/news/r10m-worth-of-fake-nike-lacoste-items-seized-in-western-cape-blitz-18118183> (2018) accessed on 6 September 2018.

³⁷⁵ M Cant et al 'Counterfeit luxury fashion brands: Consumer purchase behaviour' (2014) 177.

³⁷⁶ Kutu (note 369) 7.

³⁷⁷ Vithlani (note 368) 22.

³⁷⁸ Kutu (note 369) 17.

³⁷⁹ Ibid 18.

Where consumers are not aware that the goods they are purchasing are counterfeit goods, they pay high prices for substandard products.³⁸⁰ The relationship between legal manufacturers and consumers is then damaged and the entire concept of branding is undermined.³⁸¹ Further, the impression that the brand is of inferior quality is created in the mind of the consumer.³⁸²

The IP right holder, having already expended initial time, money and effort into producing high quality products³⁸³ will now have to spend additional money to protect and enforce their IP rights,³⁸⁴ resulting in a loss of faith in the IP system altogether.³⁸⁵

South Africa could be attracting counterfeiting activity due to the high unemployment rate where people would be tempted to profit from the sale of counterfeit products.³⁸⁶ In addition, the South African Institute for Intellectual Property Law (SAIPL) expressed concern about South Africa becoming a 'dumping ground' and 'transit route' for counterfeit goods, especially due to the fact that it is not a land locked African country. South Africa also has numerous ports wherein which counterfeit goods could possibly be offloaded.³⁸⁷

In the case of *AM Moolla Group Ltd. and Others v Gap*,³⁸⁸ before their trade marks had been expunged, the appellants attempted to enforce Section 2(1)(f) of the Counterfeit Goods Act against the respondents. This section provides that goods that are counterfeit goods may not be 'imported into or through' or 'exported from or through' the Republic except if done so for private and domestic use.³⁸⁹

The court had to decide whether the respondents' transshipment of goods bearing GAP trade marks, through the Durban Harbour in South Africa, to certain

³⁸⁰ Vithlani (note 368) 23.

³⁸¹ Kutu (note 369) 16.

³⁸² Ibid 17.

³⁸³ Vithlani (note 368) 12.

³⁸⁴ Ibid.

³⁸⁵ Ibid.

³⁸⁶ Kutu (note 369) 13.

³⁸⁷ Cant (note 375) 177.

³⁸⁸ (543/03) [2004] ZASCA.

³⁸⁹ Section 2(1)(f) (note 365).

landlocked countries in Africa, amounted to an unlawful act under the Counterfeit Goods Act.

The respondents were of the view that there was nothing unlawful about the shipment of goods where the 'GAP' goods were being transported to countries outside of South Africa, and not for purposes of selling in South Africa.³⁹⁰ It was therefore important to establish whether 'transshipment' equated to goods being 'imported into'.³⁹¹

It was consequently held that in our law, goods in transit cannot be considered to be imported goods³⁹² and that despite the South African GAP trade marks being owned by the applicant, in whichever other countries the respondent held registrations, their goods were legitimate and not counterfeit.³⁹³ Therefore, where South Africa is used to deliver goods to landlocked countries it would be unfair if such transshipment was considered to be illegitimate trade.³⁹⁴

7.2.3 Possible ways to combat counterfeiting in South Africa

Identifying prime locations like the Kwa-Zulu Natal Durban Harbour, for example, may be a good place to start as authorities would be able to carry out regular investigations in these areas, deterring people from dealing in counterfeit goods.

Government should also impose harsher penalties on street vendors, giving authorities better control over counterfeiting activities taking place.

Where big companies provide authentic goods to South Africa, some investment should be made towards anti-counterfeiting campaigns. This may inspire local designers to influence consumers to stop purchasing counterfeit products. Extending these programmes to other African countries will establish some unity on anti-counterfeiting measures, making it harder for counterfeit goods to be delivered throughout the continent.³⁹⁵

³⁹⁰ (note 388) par 2.

³⁹¹ Ibid par 8.

³⁹² Ibid.

³⁹³ (note 388) par 2.

³⁹⁴ Ibid par 10.

³⁹⁵ Cant (note 375) 182.

IP right holders should ensure that their financial and related documents pertaining to their goods are in order, and further, that the goods are properly labelled. This will be useful when assisting officials during the 'seizure of goods' process. Not being able to identify fake items or a lack of organised paperwork required in the process will cause unnecessary delay.³⁹⁶

In the absence of an international trade association governing the fashion clothing sector, owners of luxury branded items should employ in-house anti-counterfeiting officers to assist in strategy development,³⁹⁷ thereby increasing the awareness in, and lowering the extent of counterfeiting.³⁹⁸

7.3 Parallel Importation

7.3.1 What is parallel importation?

Parallel imports or 'grey goods', unlike counterfeit goods, refer to genuine products. These products are imported from other countries without the authorisation or consent of the IP rights owner (usually a copyright or trade mark owner) and then sold at a lower price.³⁹⁹

Contrary to what would usually be expected when purchasing a genuine product from an authorised distributor, parallel imports usually come without any guarantee or after sale service.⁴⁰⁰

A parallel importer would generally look for these genuine products in foreign countries where the products are known to be cheaper so that when resold, in South Africa for example, they would benefit from the profit margin as opposed to directly obtaining these products through authorised distributors, or with the consent of the IP right owner.⁴⁰¹

³⁹⁶ Ibid 31.

³⁹⁷ Ibid 12.

³⁹⁸ Kutu (note 369) 45.

³⁹⁹ S Karjiker 'The first sale doctrine: Parallel importation and beyond' (2015) 637.

⁴⁰⁰ N Mohanlal 'What constitutes parallel imports or grey goods?' (2017) available at <https://www.golegal.co.za/parallel-importation-south-africa/> accessed on 12 June 2018

⁴⁰¹ Ibid.

Where genuine goods manufactured by the IP owner, or with their consent, are also imported (through authorised distribution channels), these goods are sold in competition with the parallel imports.⁴⁰²

Parallel importation is not considered unlawful *per se* but does amount to IP infringement in certain instances.

7.3.2 *The lawfulness and effect of parallel importation in the fashion industry*

- *copyright*

In terms of Section 23(2) of the South African Copyright Act, parallel importation will result in copyright being infringed in accordance with the explanation of this section under *3.5 What Constitutes Indirect Copyright Infringement?*

The exception to the above is that if the person who reproduced the product abroad has rights in South Africa, no copyright infringement occurs as this would equate to the reproduction being made with the consent of the copyright owner.⁴⁰³

However, where a copy of the protected work is made and reproduced by a third party and such reproduction was only authorised by the copyright owner in the country of manufacture, it would amount to an infringing copy if, hypothetically, reproduced in South Africa.⁴⁰⁴ This was applied in the case of *Frank & Hirsch (Pty) Ltd v Roopanand Brothers (Pty) Ltd*⁴⁰⁵ where a successful copyright infringement claim was established.

In terms of the USA Copyright Act, a copyright owner's distribution right is exhausted after the sale of the first lawful copy is made.⁴⁰⁶ However, imports into the USA relating to work acquired outside the USA is prohibited where no consent or authority of the copyright owner has been obtained.⁴⁰⁷ The latter is equivalent to an 'infringing copy' in our law and creates a balance of rights by

⁴⁰³ Karjiker (note 399) 638.

⁴⁰⁴ Section 23(2) (note 11).

⁴⁰⁵ 1993 (4) SA 279 (A).

⁴⁰⁶ Section 109(a) (note 29).

⁴⁰⁷ Section 602(1)(a) (note 29).

prohibiting parallel importation where the making of an article "either constituted an infringement of copyright, or would have constituted an infringement of copyright if this title had been applicable."⁴⁰⁸

It has been suggested that South African copyright law adopt the principles of the 'First Sale Doctrine' as applied in the USA so as to not afford copyright owners excessive rights in the commercialisation of their goods.

- *trade mark*

The Trade Marks Act states that the importation, distribution and sale of goods to which a trade mark has been applied by the trade mark owner or with their consent, does not constitute trade mark infringement, confirming that in some instances, parallel importation will not be unlawful.⁴⁰⁹

Where parallel importation is allowed, the issue is that once fashion items of a foreign proprietor or manufacturer have been imported without their authorisation, they have no control over what the parallel importer does with their brand.⁴¹⁰

Fortunately, Section 25(2) of the CPA acts as a buffer, stating that where goods have been imported without the authorisation of the trade mark owner, a clear notice must be applied to the goods, informing consumers that the imported goods are not covered by guarantee usually provided for by the trade mark owner.⁴¹¹

Parallel importation will not be allowed where goods are modified or altered to an extent that it constitutes trade mark infringement or where the 'integrity' of the product is compromised.⁴¹² This will also be the case where the goods involved are considered to be counterfeit.

⁴⁰⁸ Karjiker (note 399) 637.

⁴⁰⁹ Section 34(2)(d) (note 188).

⁴¹⁰ Mohanlal (note 400).

⁴¹¹ Ibid.

⁴¹² O Dean 'The South African position on parallel importing' (2002) available at <https://www.spoor.com/en/News/the-south-african-position-on-parallel-importing/> accessed on 12 June 2018.

Parallel importation will also be unlawful where a licence agreement stipulates that parallel imports sold in South Africa falls out of the stipulated geographical locations provided for in the agreement.⁴¹³ Should parallel importation arise in this instance, it will result in trade mark infringement.

Further, where items of clothing have been brought into South Africa by way of parallel importation and where there are valid South African trade mark registrations in respect of those items, it is important to establish whether consent was given by the trade mark owner.⁴¹⁴ Where no consent has been established, trade mark infringement will ensue.

7.4 Conclusion

Fashion designers should familiarise themselves with the law pertaining to common issues prevalent in the industry. This will allow them to safeguard their interests appropriately, and further, understand where available protection may be restricted for purposes of achieving a balance of rights within our law.

⁴¹³ Ibid.

⁴¹⁴ Ibid.

8. FASHION FORWARD: RECOMMENDATIONS AND CONCLUSION

It has been established that creativity and originality are key components of fashion design in all its forms and plays an important role in setting different designers apart.

For those who do pursue IP protection, there is much advantage in being able to exploit certain rights for commercial gain or enforce these rights to prevent others from infringing their IP rights.

8.1 Recommendations

As South African fashion designers gain more exposure both locally and internationally, there will be an increasing need to seek legal protection for their IP. The protection is in fact available, but as with any other competitive industry, there is always room for growth.

Apart from solutions and recommendations discussed throughout this dissertation, the following final recommendations can be made:

8.1.1 An enhanced user-friendly registration system

The registration process for obtaining IP protection in South Africa still allows room for improvement. It is suggested that the National IP office, the CIPC, be strengthened continuously to ensure consistency with other Ministries and Government agencies such as the Department of Trade and Industry, and the Department of Arts and Culture.⁴¹⁵ Like these departments, formulating a self-regulatory code for standard legal practices in the fashion industry may allow for a more coherent and efficient operation and utilisation of IP in the South African fashion sector.⁴¹⁶

Over the past two years it can be seen that the CIPC has made many attempts to improve their online, user-friendly presence. This is beneficial to designers and attorneys acting on their behalf, who wish to file IP applications and maintain their registrations thereafter.

⁴¹⁵ World Intellectual Property Organisation (WIPO) 'The African fashion design industry: capturing value through intellectual property' (2012) 8.

⁴¹⁶ Ibid.

Nevertheless, continued improvement of service delivery and efficiency within the different departments that assist with queries, processing of IP-related applications and the like, will always be warranted.

IP examiners at the CIPC should also exercise due care and consideration when examining applications for acceptance to ensure that one does not go against the intention of the legislature by affording exclusive rights to certain applicants. Although these types of IP registrations can be invalidated at a later stage, it is best to avoid these issues at the outset.

8.1.2 Education of South African fashion designers and related persons

There seems to be a lack of awareness in the industry itself. It is largely up to the fashion designer to understand how the different types of protection work. Seeking advice from a legal practitioner who understands which legal avenue is the correct one for what the designer seeks to protect is highly beneficial.

Like the USA, South Africa should focus on educating those involved in the fashion industry, including designers and suppliers, who should also be aware of how the brand operates and how to go about expanding the brand or business on a commercial level. Education will inspire further innovation and encourage designers to make use of applicable and available IP rights. More training seminars on what IP rights bring to the industry and the correct procedures to follow, will facilitate designers during the filing and registration process, giving them the confidence to obtain and enforce their IP rights.⁴¹⁷

The South African fashion industry is worthy of being recognised globally. In order to assist this process, South African designers will surely benefit if they form partnerships with international schools or participate in exchange programs for African and non-African students, inspiring creativity in the process.⁴¹⁸

Incorporating IP education and more information on the operation of large export markets in fashion schools will prove extremely beneficial and may even bring

⁴¹⁷ Ibid.

⁴¹⁸ Ibid.

about more awareness to serious issues such as counterfeiting and parallel importation, which has seemingly increased in recent times.

8.2 Conclusion

In reviewing South African IP law as applied to the fashion design sector, protection is readily available to those who seek it and who meet the stipulated requirements. None of the relevant acts discussed above gives us any indication that there was ever an intention for a monopoly of rights to be handed out to an IP rights applicant at the expense of other traders. In the same token, the importance of balancing such rights has been reinforced throughout this dissertation and where one type of IP law seems to fall short, relevant protection is available in an alternative and appropriate form of IP or commercial law.

In respect of the comparative analysis of relevant IP law in the USA and South Africa, it has been found that some forms of IP rights applicable to the USA fashion industry for apparel design,⁴¹⁹ such as copyright and design patent law, tend to be weaker than the equivalent forms of protection afforded in terms of South African IP law. Where the USA does protect items of fashion, it may do so through different avenues to South African IP law, attempting to maintain the 'piracy-paradox' whilst protecting designers in appropriate instances.⁴²⁰

Further, it has been established that additional protection for fashion items in the USA is afforded in terms of trade dress. Despite this, USA law still requires fashion items to be compartmentalised into its aesthetic and functional aspects, and for strict requirements to be complied with before separate protection in respect of the relevant elements can be obtained.⁴²¹

The comparative analysis has therefore shown that although our laws may not operate in the exact manner, it is universal in its purpose. Where there may be slight differences, our context-specific application of IP law works for the interests of South African designers. Simply put, in both the USA and South Africa, the legal protection afforded to designers needs to be correctly applied and properly enforced.

⁴¹⁹ Kadian-Dodov (note 87) 30.

⁴²⁰ Raustiala & Sprigman (note 88) 3.

⁴²¹ Mills (note 73) par 1.

In light of the above, the absence of a comprehensive piece of legislation pertaining to the South African fashion design industry makes no difference to the availability and adequacy of the relevant protection a designer may seek or require.

Despite the above, one cannot dispute that there are still IP-related issues to be combatted in the fashion sector and that there is evidently room for improvement with regards to certain IP rights processes. However, for the sake of finality, in asking whether IP rights should be increased and further developed in the fashion design sector or whether the current regime provides adequate protection, the answers submitted are no and yes respectively.

Our solutions therefore lie in the correct interpretation, application and enforcement of South African IP law as it stands.

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08 June 2015

Ms Nicolette Naidoo (210525344)
School of Law
Howard College Campus

Dear Ms Naidoo,

Protocol reference number: HSS/0660/015M

Project title: Is South Africa fashionably late to the world of Intellectual Property design protection?: A comprehensive analysis of applicable legislation currently afforded to fashion designers in South Africa

Full Approval – No Risk / Exempt Application

In response to your application received on 27 May 2015 the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully



.....
Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Ms Devarasi Maduramuthu
Cc Academic Leader Research: Dr Shannon Bosch
Cc School Administrator: Mr Pradeep Ramsewak

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: ximbap@ukzn.ac.za / snwmanm@ukzn.ac.za / mohung@ukzn.ac.za

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