



THE SUPREME COURT OF APPEAL OF SOUTH AFRICA MEDIA SUMMARY

FROM: The Registrar, Supreme Court of Appeal

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Dart Industries Incorporated and Another v Botle Buhle Brands (Pty) Ltd and Another (636/2021) [2022] ZASCA 170 (1 December 2022)

Today the Supreme Court of appeal handed down a judgment in which it partly dismissed, and partly upheld, an appeal by the appellants, Dart Industries Incorporated, and the second appellant, Tupperware Southern Africa (Pty) Ltd (jointly referred to as 'Tupperware') against an order of the Gauteng Division of the High Court, Pretoria (the high court). The high court had dismissed Tupperware's application against the first respondent, Botle Buhle Brands (Pty) Ltd (Buhle Brands) in a trade mark infringement claim. It also dismissed Tupperware's alternative claim based on passing-off.

The dispute was about a shape of a water bottle. Since 2011, Tupperware has been selling a plastic bottle that has the shape of the registered mark, and marketed as the 'Eco bottle', in South Africa. In 2019, the first respondent, Botle Buhle Brands (Pty) Ltd (Buhle Brands), started to market and sell an almost identical bottle as the Tupperware's Eco bottle.

Tupperware considered the Buhle Brands' bottle to infringe its registered trade mark. Accordingly, it applied to the high court seeking to restrain Buhle Brands from infringing its registered mark in terms of ss 34(1)(a) and 34(1)(c) of the Trade Mark Act 194 of 1993 (the Act). In addition, Tupperware sought a restraining order based on passing off. In response, Buhle Brands launched a counter-application for the removal of Tupperware's trade mark registration based on several sections of the Act, namely: (a) s 10(2)(a) – that it was not capable of distinguishing Tupperware goods from those of other traders and was therefore, an entry wrongly made and/or wrongly remaining on the trade mark register in terms of s 24 of the Act.

The high court found that the registered trade mark was neither inherently distinctive nor had acquired distinctiveness as a result of prior use, as envisaged in s 9(2). Consequently, it dismissed Tupperware's application and granted Buhle Brands' counter application for the removal of Tupperware's trade mark from the trade mark register. As regards the relief based on passing off, the high court found that although the bottles were virtually identical, there was no likelihood of deception or confusion, given the sales model used by both parties.

On appeal, the Supreme Court of Appeal undertook a survey of local and international authorities on how courts have considered the inherent distinctiveness of shape marks as indicators of origin. The Court concluded that the Eco bottle did not represent a significant departure from the norms and customs of the water bottle sector. Also, there was no evidence that the average consumer appreciated that the bottle conveyed trade mark significance. Thus, customers would not regard the shape of the Eco bottle alone as a guarantee that it was produced by Tupperware, as 'containers and shapes generally do not serve as sources of origin.' Despite that fact that the Eco bottle was visually distinctive, and would be recognised as different to other bottles on the market, this did not mean that it would 'convey a message that it was intended to be an indication of origin or that it performed that function.'

The Court went on to consider whether the Eco bottle had acquired distinctiveness as a result of prior use. In this regard, the Court considered a trilogy of *Nestlé* decisions in the United Kingdom – *Société des Produits Nestlé SA v Cadbury UK Ltd* [2014] EWHC 16 (Ch); *Société des Produits Nestlé SA v Cadbury UK Ltd* [2015] ETMR 50, and *Société des Produits Nestlé SA v Cadbury UK Ltd* [2017] EWCA Civ 358.

The Court concluded that there was no evidence that the purchasers of the Eco bottle perceived the shape of the bottle to indicate that it originates from a particular source, let alone from Tupperware. A careful perusal of its promotional material showed that Tupperware at no time promoted, marketed or sold the Eco bottle with reference to its shape. It is always marketed with reference to the Tupperware trade mark, and as part of the Tupperware range of products. In other words, the reference was never to the shape of the Eco bottle as a trade mark, but to the Eco bottle as part of the Tupperware range of goods. Viewed in this light, the Court concluded that it may well be that the apparent popularity of the Eco bottle was due to it being part of the popular Tupperware range of goods. That, more than its shape, seemed to be the attractive force to the Eco bottle. The Court also took into account that the Eco bottle was used in conjunction with the Tupperware trade mark, which is embossed on the side, though subdued and would not easily be visible from a distance. In other words, the relevant sector of the public might have come to perceive the Eco bottle bearing the mark as originating from Tupperware because of its well-known trade mark, and not because of the shape of the bottle. On these considerations, Tupperware's appeal against the dismissal of the claim based on the trade mark infringement was dismissed.

The Supreme Court of Appeal then turned to the passing-off claim. The Court remarked that the overall design of the Buhle Brands' water bottle was not to distinguish it from that of Tupperware, but rather to associate the two. Therefore, the assessment of the likelihood of confusion had to be undertaken on the footing that the two water bottles were virtually identical.

Despite finding that the two bottles were virtually identical, the high court concluded that because the bottles were not sold in retail stores but by consultants, there was no likelihood of confusion. The consultants sold the products at so-called 'home parties'. Both Tupperware and Buhle Brands used that model. The high court concluded that a consumer purchasing the Buhle Brands's water bottle at a party hosted by one of its consultants, would not be deceived into thinking that it is an ECO bottle marketed by Tupperware.

The Supreme Court of Appeal disagreed, and pointed out that the fact that members of the public who had attended such a party would have become aware that the Eco bottle is a Tupperware product, was not decisive. The key issue was whether the relevant members of the public would likely make a business connection between the two traders in respect of their respective bottles. The high court had ignored the evidence that there were consultants who sold both products, and that a customer might end up making an association between the two products. The consultant may even offer the consumer the Buhle Brands' bottle because it is cheaper, instead of the Eco bottle.

The high court also ignored the evidence that the two products are also marketed online. In some instances, the consultants have the two catalogues depicted side by side. This, said the Court, sowed the seeds for the likelihood of confusion between the two products. A potential customer who had attended a Tupperware party may wish to purchase the Eco bottle online. They would search for it by name. Another potential customer may have seen the Eco bottle at the office, school or church. They may search for it by shape. In both instances, the potential customer would likely encounter the Eco bottle and the Buhle Brands bottle side by side. In either case, because of the similarities between the two products, they make the association between them. This association is even more likely to be made online with no one to explain the distinction between the two bottles. Because of the similarities, the consumer was likely to perceive the two bottles to be associated. This type of confusion, which results in consumers purchasing one product thinking that it is the one they know, or is associated with it, is at the heart of the action of passing-off. Therefore, the likelihood of confusion exists, and the claim for passing off should have succeeded.

Accordingly, the Supreme Court of Appeal, per Makgoka JA (Dambuza and Gorven JJA and Goosen and Masipa AJJA concurring) dismissed Tupperware's appeal against the dismissal of its trade mark infringement claim but upheld its appeal against the dismissal of its passing-off claim.

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