

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

19 November 2010

STATUS: Immediate

PUMA AG RUDOLF DASSLER SPORT V RAMPAR TRADING (PTY) LTD AND OTHERS

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal

The Supreme Court of Appeal (SCA) upheld an appeal against an order of the KwaZulu-Natal High Court, (Durban) and held that the shoes imported by the respondents were counterfeit.

The respondent is the owner of a chain of retail shoe stores known as Dodo's and has a budget line under its name mark together with a device mark incorporating a stylised letter D. A consignment of shoes, imported by the respondent, were detained on suspicion that the shoes were counterfeits of the appellant's brand PUMA, and were later seized by the police.

The respondent then proceeded to file an application in the Durban High Court for an order setting aside the warrant and the search and seizure. The respondent furthermore sought an order in terms of s 7 (4) of the Counterfeit Goods Act 37 of 1997, that the goods were not counterfeit and they should therefore be returned. The court a quo found in favour of the respondent and granted the order in terms of s 7 (4) of the Act and neglected to deal with the issue of whether the shoes were indeed counterfeit. The appellant's then proceeded to lodge an appeal against this decision.

The respondent argued that his shoes could be distinguished from that of the appellant's as it contained the presence of a prancing dragon and the Dodo device mark on the heel and the name Dodo Sport on the side which was distinguishable from the Puma trade marks of the appellant. The court dismissed this argument,

contending that the marks do not come close in comparison to the split form strip so as to distinguish nor could it be viewed as ornamentation.

The SCA had to decide whether the respondent discharged the onus on it, in terms of s 7 (4) of the Act, to show that the goods in question were not counterfeit, and whether actual cloning of a product was required. The SCA found that counterfeiting was possible without cloning. The fact that the appellant may not have produced a shoe bearing the particular trade mark was not an indication that the shoes imported by the respondent were not counterfeit.

The SCA considered whether the marks applied to the respondents shoes are 'the subject matter' or 'a colourable imitation' of the appellant's trade marks in terms of the Act. It was decided that to be 'the subject matter', the respondent's mark must be identical to the appellant's Puma trade mark, whereas an 'imitation', is essentially a copy and the word 'colourable' merely affirms that the copy is counterfeit. It was on this premise that the court concluded that 'calculated to be confused with', or 'taken as being' the registered trade mark, as stated in the Act, involves a deliberate and fraudulent infringement of trade marks.

The appellant relied on five marks, which during argument it reduced to two, one of which had not been registered at the time of seizure and therefore the appellant was only left with one mark, called its split form strip, registered under no. 2004/14412. The SCA held that there could be little doubt from the evidence presented that the shoes of the respondent were counterfeit.

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